City of Chicago

O2019-4111

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	6/12/2019
Sponsor(s):	Burnett (27)
Type:	Ordinance
Title:	Release of use restriction covenant regarding vacation of W Erie St from N Union Ave and North Branch of Chicago River
Committee(s) Assignment:	Committee on Transportation and Public Way

ORDINANCE
FOR RELEASE OF
USE RESTRICTION COVENANT

WHEREAS, on February 7, 1996 the City Council of the City of Chicago ("City Council") passed a certain ordinance (C.J. pp. 15774 through 15780) (referred to herein as the "Vacation Ordinance"), which ordinance provided for an industrial program ("Industrial Program") street vacation ("Vacation") of a portion of W. Erie Street between approximately vacated N. Union Avenue (formerly known as N. Putnam Street) and the North Branch of the Chicago River ("Subject Property"); and

WHEREAS, the Vacation Ordinance provided that the Vacation of the Subject Property was conditioned upon the recording of a restrictive use covenant running with the land ("Restrictive Use Covenant"), that restricted the use of the Subject Property "to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, storage, employee and customer parking, and similar other uses and facilities"; and

WHEREAS, the Restrictive Use Covenant was recorded on July 25, 1996 with the Office of the Cook County Recorder of Deeds as Document Number 96568953, and is attached hereto as **Exhibit A**; and

WHEREAS, the Vacation Ordinance was recorded on July 25, 1996 with the Office of the Cook County Recorder of Deeds as Document Number 96568952, and is attached hereto as **Exhibit B**: and

WHEREAS, Section 4 of the Vacation Ordinance sets forth that the Restrictive Use Covenant "may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or abandonment"; and

WHEREAS, IL-777 West Chicago, LLC, a Delaware limited liability company ("Developer"), f/k/a IL-Freedom Center LLC, a Delaware limited liability company, is the current titleholder of the Subject Project; and

WHEREAS, the Developer intends to develop a multi-unit mixed use (commercial, residential, office and greenspace) development on the Subject Property and has requested a release of the Restrictive Use Covenant; and

WHEREAS, the City, upon due investigation and consideration, has determined that the public interest now warrants a release of the Restrictive Use Covenant reserved in Section 4 of the Vacation Ordinance, subject to the Developer's payment of such additional compensation which the City deems to be equal to the benefits accruing to the Developer because of the release of the Restrictive Use Covenant; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The recitals above are incorporated herein.

SECTION 2. The release of the Restrictive Use Covenant, in its entirety, appearing in Section 4 of the Vacation Ordinance is hereby approved upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Developer shall pay or cause to be paid to the City of Chicago as compensation for the benefits which will accrue to the Developer the amount of ________________ ($), which sum in the judgment of this body will be equal to such benefits.

SECTION 3. The release of the Restrictive Use Covenant herein provided for is made upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Developer shall file or cause to be filed in the Office of the Recorder of Deeds of Cook County, Illinois a certified copy of this ordinance,

SECTION 4. The Commissioner of the Department of Transportation (acting or actual) is hereby authorized to execute, subject to the approval of the Corporation Counsel as to form and legality, a Release of Restrictive Use Covenant, in substantially the form attached as **Exhibit C,** and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Release of Restrictive Use Covenant, with such changes, deletions and insertions as shall be approved by the persons executing the Release of Restrictive Use Covenant.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. This ordinance shall take effect upon its passage and publication.

Release of Restrictive Use Covenant
Approved:

Thomas Carney
Acting Commissioner
Department of Transportation

Approved as to Form and Legality:

Lisa Misher
Deputy Corporation Counsel

Introduced By:

Honorable Walter Burnett
Alderman, 27th Ward

EXHIBIT A

July 25, 1996
Recorded Restrictive Use Covenant
(Attached)

(2)

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. DEPT-01 RECORDING $47.50
. T#2222 TRAN 3011 07/25/96 11:53:00
. #1539 # LM *-96-568953
. COOK COUNTY RECORDER

RESTRICTIVE COVENANT

WHEREAS, the Chicago Tribune Company ("Owner"), holds legal title to certain parcels of real property ("Abutting Property") which are located at 777 West Chicago Avenue, in the County of Cook, State of Illinois, and which are currently used for the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only, and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, storage, employee and customer parking, and other similar uses and facilities; and

WHEREAS, on February 7, 1996, the City Council of the City of Chicago approved an ordinance (C.J. pp. 15774-80), a copy of which is attached as Exhibit A and which is hereby incorporated ("Ordinance") which Ordinance provided for the vacation of a certain portion of public way known as the easterly 256.61 feet, more or less, of W. Erie Street lying between the east line of North Union Avenue and the westerly line of the north branch of the Chicago River (hereinafter referred to as "Subject Premises"), the Subject Premises being more particularly described in Exhibit A which is attached and incorporated; and

WHEREAS, the vacation provided in the Ordinance is conditioned upon the execution and recording by the Owner of a restrictive covenant running with the land that

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MAIL TO

Roger Vree, Esq.
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

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provides that the Subject Premises shall be used only for manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only, and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, storage, employee and customer parking, and other similar uses and facilities;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PASSAGE AND APPROVAL OF THE VACATION ORDINANCE AND THE VESTING OF TITLE IN THE OWNER, WITHOUT THE REQUIREMENT THAT THE OWNER PAY COMPENSATION TO THE CITY, THE OWNER DOES HEREBY AGREE AND COVENANT UNTO THE CITY OF CHICAGO AS FOLLOWS:

1. **USE.** The Owner hereby covenants to the City of Chicago that the above-described Subject Premises shall not be used for any use or purpose other than those which are set forth in Exhibit B, which is attached and incorporated, and for those uses and purposes which are accessory to such activities, including, but not limited to, the location of necessary and appropriate offices and facilities, storage, employee and customer parking and other similar uses and facilities. The consideration for such covenant, which is deemed and agreed to be valuable and sufficient, is the vacation by the City of Chicago of the Subject Premises for the benefit of Owner without the requirement that the Owner pay compensation to the City.

2. **COVENANT TO RUN WITH THE LAND AND TERM THEREOF.** The burdens of the covenant herein contained shall run with the Subject Premises. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns. The covenant shall be binding on the Owner, its successors and assigns, and shall be enforceable by

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the City, its successors and assigns. The covenant may be released or abandoned only upon approval of the City Council of the City of Chicago which may condition its approval upon the payment of such additional compensation by the Owner or any persons claiming under the Owner, which said City Council of the City of Chicago deems to be equal to the benefits accruing because of the release or abandonment of the covenant.

3. **VIOLATION OF RESTRICTIONS.**

(a) Reversion. In the event that the Owner violates a restriction contained herein, the City of Chicago may serve the Owner with a written notice entitled NOTICE OF VIOLATION setting forth the violations. Such notice shall be sent to Owner at 435 North Michigan Avenue, Chicago, Illinois 60611. Within thirty (30) days of receipt of said Notice of Violation, Owner shall cause the correction of or cure the violations set forth therein. In the event that Owner shall fail or refuse to cause the correction of or cure such violations within the period of thirty (30) days, the City of Chicago may then record with the Cook County Recorder of Deeds a copy of the Notice of Violation, proof of personal service of the Notice of Violation and a Notice of Reversion. Upon the recording of the aforementioned documents by the City of Chicago, the Subject Premises shall be deemed to be conveyed by Owner to the City of Chicago. In the event that the City does not exercise its right of reversion as stated in this Section 3(a) within twenty (20) years from the date of execution and recording of this Covenant, then the provisions of this Section 3(a) shall be deemed null and void.

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(b) Enforcement. In addition to the foregoing, this Covenant shall be enforceable by all remedies available in law or in equity, including injunctive relief.

IN WITNESS WHEREOF, the Owner has caused this Covenant to be duly executed and attested to this 28 day of May, 1996.

THE CHICAGO TRIBUNE COMPANY

By: James E. Dill

Its: V.P. / Mfg & Distribution

ATTEST:

X Stanley Gradowski

Its: Secretary

ACCEPTED:

DMD

Commissioner of Planning and Development

APPROVED AS TO FORM AND LEGALITY:

John D. McDonough

~~Chief~~ Assistant Corporation Counsel

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STATE OF ILLINOIS)
)
COUNTY OF COOK ,)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that JAMES E. O'DELL, personally known to me to be the VICE PRESIDENT of CHICAGO TRIBUNE, a ILLINOIS corporation, is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such VICE PRESIDENT he/she signed and delivered the said instrument, as the free and voluntary act of such corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28th day of May, 1996.

Yvonne McCarter
Notary Public

My commission expires June 24, 1997

"OFFICIAL SEAL"
YVONNE MCCARTER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 6/24/97

Prepared by and when recorded, return to:
John McDonough
Assistant Corporation Counsel
121 North LaSalle Street
Room 610, City Hall
Chicago, Illinois 60602
312/744-9827

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EXHIBIT A - VACATION ORDINANCE

No. P.I.N. applicable - document affects newly vacated public way

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"EXHIBIT "A"

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Transportation and approved by the Commissioner of Buildings and the Division Marshal in charge of the Bureau of Fire Prevention. Said canopy shall not exceed twenty-four (24) feet in length, nor eight (8) feet in width.

The Permittee shall pay to the City of Chicago as compensation for the privilege the sum of Fifty and no/100 Dollars ($50.00) per annum, in advance. In the event the Permittee transfers title or vacates the premises, the Permittee shall, nevertheless, remain liable to the City of Chicago for the annual compensation until the canopy is removed. The Permittee shall renew the privilege herein granted to the date of expiration.

The Permittee shall protect, defend, indemnify and hold harmless the City of Chicago, its officers, agents and employees, against and from any expense, claim, controversy, damage, personal injury, death, liability, judgment, or obligation arising out of the construction, repair, replacement, cleaning, use, maintenance or operation of the canopy arising out of and including the passive negligence of the City of Chicago.

The permit shall be subject to amendment, modification or revocation by the Mayor and the Director of Revenue in their discretion without the consent of the Permittee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the Permittee shall remove the canopy without cost to the City of Chicago.

The privilege herein granted shall not be exercised until a permit shall have been issued by the Director of Revenue.

VACATION OF WEST ERIE STREET, BETWEEN NORTH UNION AVENUE AND NORTH BRANCH OF CHICAGO RIVER.

The Committee on Transportation and Public Way submitted the following report:

CHICAGO, December 6, 1995.

To the President and Members of the City Council:

Your Committee on Transportation and Public Way begs leave to recommend that Your Honorable Body *Pass* a proposed ordinance vacating West Erie Street, between North Union Avenue and the north branch of the

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Chicago River. This ordinance was referred to the committee on December 6, 1995.

This recommendation was concurred in unanimously by a viva voce vote of the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) PATRICK M. HUELS,
Chairman.

On motion of Alderman Huels, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Holt, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Frias, Olivo, Burke, Jones, Coleman, Streeter, Murphy, Rugai, Troutman, Evans, Munoz, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Burrell, Wojcik, Suarez, Gabinski, Mell, Austin, Colom, Banks, Giles, Allen, Laurino, O'Connor, Doherty, Natarus, Bernardini, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City") is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has experienced a significant loss of industry and jobs in recent years, accompanied by a corresponding erosion of its tax base, due in part to industrial firms' inability to acquire additional property needed for their continued viability and growth; and

WHEREAS, Many industrial firms adjoin streets and alleys that are no longer required for public use and might more productively be used for plant expansion and modernization, employee parking, improved security, truck loading areas, or other industrial uses; and

WHEREAS, The City would benefit from the vacation of these streets and alleys by reducing City expenditures on maintenance, repair and

replacement; by reducing fly-dumping, vandalism and other criminal activity; and by expanding the City's property tax base; and

WHEREAS, The City can strengthen established industrial areas and expand the City's job base by encouraging the growth and modernization of existing industrial facilities through the vacation of public streets and alleys for reduced compensation; and

WHEREAS, The properties at 777 West Chicago Avenue are owned by the Chicago Tribune Company, a firm employing one thousand six hundred (1,600) individuals in the printing of newspapers; and

WHEREAS, The Chicago Tribune Company proposes to limit the use of that part of West Erie Street to be vacated herein for such manufacturing purposes and other such uses which are reasonably necessary therefore; and

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of part of the public street described in the following ordinance; now; therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That all that part of West Erie Street together with all that part of West Erie Street relocated by ordinance approved by the Common Council of the City of Chicago, October 10, 1870 and recorded July 9, 1962 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 18526682 bounded and described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street aforesaid, 173.56 feet to the herein designated point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along said northwesterly line, 256.51 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence south 37 degrees, 22 minutes 06 seconds east along said dock line, 18.105 feet to the point of intersection with the southeasterly line of West Erie Street aforesaid; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 246.98 feet; thence north 37 degrees, 17 minutes, 54 seconds west, 91.52 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, said part of public street herein vacated being further described as the easterly 256.61 feet, more or less, of West Erie Street lying between the east line of North

Union Avenue and the westerly line of the north branch of the Chicago River,

as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same is hereby vacated and closed, inasmuch as the same is no longer required for public use and the public interest will be subserved by such vacation.

SECTION 2. The City of Chicago hereby reserves for the benefit of the Metropolitan Water Reclamation District of Greater Chicago a perpetual easement to construct, reconstruct, repair, maintain and operate existing west side intercepting sewer and appurtenances thereto (hereinafter called "Sewer Facilities") above, upon, across, under and through a segment of the premises "To Be Vacated" hereunder legally described as: that part of West Erie Street, as dedicated by ordinance passed October 10, 1870 and recorded July 9, 1962 as Document Number 18526682, bounded and described as follows:

commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition in Section 9, Township 39 North, Range 14; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 250.00 feet to the point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line, 25.17 feet; thence south 37 degrees, 17 minutes, 54 seconds east, 91.52 feet to the southeasterly line of West Erie Street; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 25.17 feet; thence north 37 degrees, 17 minutes, 64 seconds west, 91.25 feet to the point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

It is further provided that no buildings or other structures shall be erected on the said area herein reserved or other use made of said area, which in the judgment of the officials having control of the aforesaid Sewer Facilities would interfere with the construction, reconstruction, repair, maintenance and operation of said Sewer Facilities. Said perpetual easement is an encumbrance which runs with the land.

SECTION 3. The Commission of Planning and Development is hereby authorized to execute and deliver to the Chicago Tribune Company a quitclaim deed for the portion of West Erie Street vacated herein, together with all riparian rights appurtenant thereto, and all improvements located on such vacated property (excepting those for which an easement has been reserved in Section 2 of this ordinance) or constructed pursuant to the riparian rights appurtenant to such vacated property, including the bridge abutment located within the property legally described as follows:

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that part of the north branch of the Chicago River lying easterly of and adjoining West Erie Street, as dedicated by ordinance passed October 10, 1870, and recorded July 9, 1962 as Document Number 18526682, said parcel being more particularly described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 430.07 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet to the herein designated point of beginning; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence north 70 degrees, 14 minutes, 07 seconds east, 31.23 feet; thence north 20 degrees, 49 minutes, 33 seconds west, 60.83 feet; thence south 68 degrees, 44 minutes, 09 seconds west, 41.59 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Such quitclaim deed shall be conditioned upon and shall provide the following as covenants running with land of the portion of West Erie Street herein vacated and the riparian rights appurtenant thereto:

a. all permits issued by the Army Corps of Engineers, or predecessor thereof, under Section 10 of the Rivers and Harbors Act of 1899, as amended, 33 USC Section 403, or such other preceding authority, pertaining to such improvements shall be deemed transferred to the Chicago Tribune Company along with vacated property, the riparian rights and the improvements referenced above; and

b. the Chicago Tribune Company shall indemnify, defend and hold harmless the City of Chicago, its agents and employees from and against any claim or liability arising under such permits after the date of delivery of the deed.

SECTION 4. The Commissioner of Planning and Development is hereby authorized to accept, subject to the approval of the Corporation Counsel as to form and legality, and on behalf of the City of Chicago, the benefits of a covenant or similar instrument restricting the use of the public way vacated by this ordinance to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, accessory offices, storage, employee and customer parking, and similar other uses and facilities. Such covenant shall be enforceable in law or in equity and shall be deemed to provide for reconveyance of the property

to the City upon substantial breach of the terms and conditions thereof. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns, and the burdens of such covenant shall run with and burden the public way vacated by this ordinance. The covenant may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or an abandonment.

SECTION 5. The vacation herein provided for is made upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Chicago Tribune Company shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with a restrictive covenant complying with Section 4 of this ordinance, approved by the Corporation Counsel, and an attached drawing approved by the Superintendent of Maps.

SECTION 6. This ordinance shall take effect and be in force from and after its passage.

[Drawing referred to in this ordinance printed on page 15780 of this Journal.]

VACATION OF PORTION OF NORTH/SOUTH PUBLIC ALLEY IN BLOCK BOUNDED BY BURLINGTON NORTHERN RAILROAD, WEST CERMAK ROAD, SOUTH KEDZIE AVENUE AND SOUTH TROY STREET.

The Committee on Transportation and Public Way submitted the following report:

CHICAGO, February 5, 1996.

To the President and Members of the City Council:

(Continued on page 15781)

Ordinance associated with this drawing printed on pages 15776 through 15779 of this Journal.

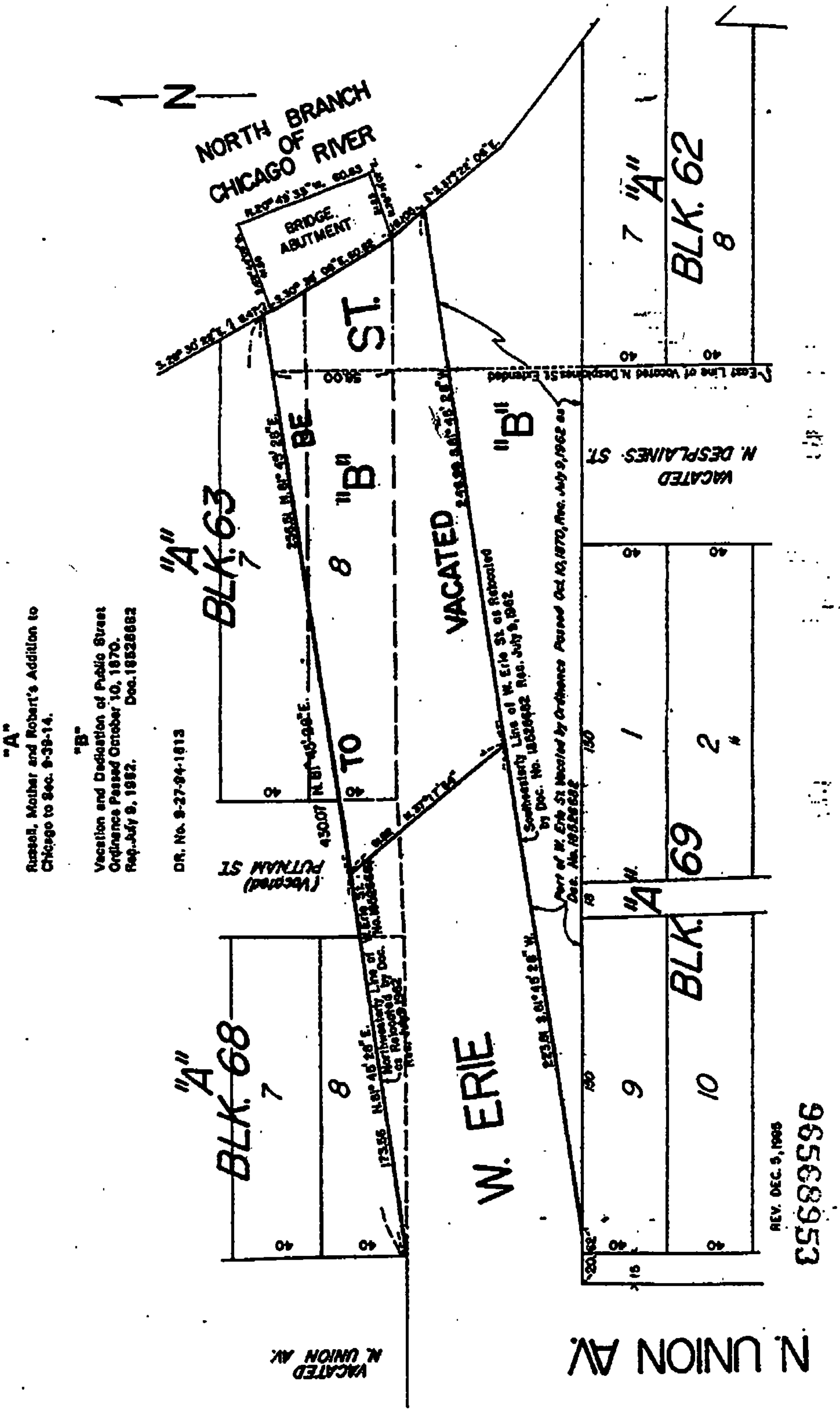

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EXHIBIT B - PERMITTED USES

1. Manufacturing, production, processing, assembly, fabricating, cleaning, servicing and repair of materials, goods or products, including but not limited to the following:

   a. Food and Kindred Products
   b. Tobacco Products
   c. Apparel and Other Textile Products
   d. Lumber and Wood Products-
   e. Furniture and Fixtures
   f. Paper and Allied Products
   g. Printed and Published Products
   h. Chemicals and Allied Products
   i. Petroleum and Coal Products
   j. Rubber and Miscellaneous Plastics
   k. Leather and Leather Products
   l. Stone, Clay and Glass Products
   m. Primary Metals
   n. Fabricated Metal Products
   o. Industrial Machinery and Equipment
   p. Electronic and Electric Equipment
   q. Transportation Equipment
   r. Instruments and Related Products

2. Transportation and wholesale trade, as distinguished from retail trade, of the materials, goods or products listed above.

3. Research and development of prototypes and processes related to the activities listed above.

a:covenant.903

EXHIBIT B

July 25, 1996
Recorded Vacation Ordinance
(Attached)

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WHEREAS, The City of Chicago ("City") is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has experienced a significant loss of industry and jobs in recent years, accompanied by a corresponding erosion of its tax base, due in part to industrial firms' inability to acquire additional property needed for their continued viability and growth; and

WHEREAS, Many industrial firms adjoin streets and alleys that are no longer required for public use and might more productively be used for plant expansion and modernization, employee parking, improved security, truck loading areas, or other industrial uses; and

WHEREAS, The City would benefit from the vacation of these streets and alleys by reducing City expenditures on maintenance, repair and

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Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

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replacement; by reducing fly-dumping, vandalism and other criminal activity; and by expanding the City's property tax base; and

WHEREAS, The City can strengthen established industrial areas and expand the City's job base by encouraging the growth and modernization of existing industrial facilities through the vacation of public streets and alleys for reduced compensation; and

WHEREAS, The properties at 777 West Chicago Avenue are owned by the Chicago Tribune Company, a firm employing one thousand six hundred (1,600) individuals in the printing of newspapers; and

WHEREAS, The Chicago Tribune Company proposes to limit the use of that part of West Erie Street to be vacated herein for such manufacturing purposes and other such uses which are reasonably necessary therefore; and

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of part of the public street described in the following ordinance; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That all that part of West Erie Street together with all that part of West Erie Street relocated by ordinance approved by the Common Council of the City of Chicago, October 10, 1870 and recorded July 9, 1962 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 18526682 bounded and described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street aforesaid, 173.56 feet to the herein designated point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along said northwesterly line, 256.51 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence south 37 degrees, 22 minutes 06 seconds east along said dock line, 18.105 feet to the point of intersection with the southeasterly line of West Erie Street aforesaid; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 246.98 feet; thence north 37 degrees, 17 minutes, 54 seconds west, 91.52 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, said part of public street herein vacated being further described as the easterly 256.61 feet, more or less, of West Erie Street lying between the east line of North

Union Avenue and the westerly line of the north branch of the Chicago River,

as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same is hereby vacated and closed, inasmuch as the same is no longer required for public use and the public interest will be subserved by such vacation.

SECTION 2. The City of Chicago hereby reserves for the benefit of the Metropolitan Water Reclamation District of Greater Chicago a perpetual easement to construct, reconstruct, repair, maintain and operate existing west side intercepting sewer and appurtenances thereto (hereinafter called "Sewer Facilities") above, upon, across, under and through a segment of the premises "To Be Vacated" hereunder legally described as: that part of West Erie Street, as dedicated by ordinance passed October 10, 1870 and recorded July 9, 1962 as Document Number 18526682, bounded and described as follows:

commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition in Section 9, Township 39 North, Range 14; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 250.00 feet to the point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line, 25.17 feet; thence south 37 degrees, 17 minutes, 54 seconds east, 91.52 feet to the southeasterly line of West Erie Street; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 25.17 feet; thence north 37 degrees, 17 minutes, 64 seconds west, 91.25 feet to the point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

It is further provided that no buildings or other structures shall be erected on the said area herein reserved or other use made of said area, which in the judgment of the officials having control of the aforesaid Sewer Facilities would interfere with the construction, reconstruction, repair, maintenance and operation of said Sewer Facilities. Said perpetual easement is an encumbrance which runs with the land.

SECTION 3. The Commission of Planning and Development is hereby authorized to execute and deliver to the Chicago Tribune Company a quitclaim deed for the portion of West Erie Street vacated herein, together with all riparian rights appurtenant thereto, and all improvements located on such vacated property (excepting those for which an easement has been reserved in Section 2 of this ordinance) or constructed pursuant to the riparian rights appurtenant to such vacated property, including the bridge abutment located within the property legally described as follows:

that part of the north branch of the Chicago River lying easterly of and adjoining West Erie Street, as dedicated by ordinance passed October 10, 1870, and recorded July 9, 1962 as Document Number 18526682, said parcel being more particularly described as follows:

commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 430.07 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet to the herein designated point of beginning; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence north 70 degrees, 14 minutes, 07 seconds east, 31.23 feet; thence north 20 degrees, 49 minutes, 33 seconds west, 60.83 feet; thence south 68 degrees, 44 minutes, 09 seconds west, 41.59 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Such quitclaim deed shall be conditioned upon and shall provide the following as covenants running with land of the portion of West Erie Street herein vacated and the riparian rights appurtenant thereto:

a. all permits issued by the Army Corps of Engineers, or predecessor thereof, under Section 10 of the Rivers and Harbors Act of 1899, as amended, 33 USC Section 403, or such other preceding authority, pertaining to such improvements shall be deemed transferred to the Chicago Tribune Company along with vacated property, the riparian rights and the improvements referenced above; and

b. the Chicago Tribune Company shall indemnify, defend and hold harmless the City of Chicago, its agents and employees from and against any claim or liability arising under such permits after the date of delivery of the deed.

SECTION 4. The Commissioner of Planning and Development is hereby authorized to accept, subject to the approval of the Corporation Counsel as to form and legality, and on behalf of the City of Chicago, the benefits of a covenant or similar instrument restricting the use of the public way vacated by this ordinance to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, accessory offices, storage, employee and customer parking, and similar other uses and facilities. Such covenant shall be enforceable in law or in equity and shall be deemed to provide for reconveyance of the property

to the City upon substantial breach of the terms and conditions thereof. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns, and the burdens of such covenant shall run with and burden the public way vacated by this ordinance. The covenant may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or an abandonment.

SECTION 5. The vacation herein provided for is made upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Chicago Tribune Company shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with a restrictive covenant complying with Section 4 of this ordinance, approved by the Corporation Counsel, and an attached drawing approved by the Superintendent of Maps.

SECTION 6. This ordinance shall take effect and be in force from and after its passage.

[Drawing referred to in this ordinance printed on page 15780 of this Journal.]

STATE OF ILLINOIS, ss.
County of Cook.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office concerning a vacation of West Erie Street, between North Union Avenue and North Branch of Chicago River.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the seventh (7th) day of February, A. D. 1996 and deposited in my office on the seventh (7th) day of February, A. D. 1996.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit:

Yeas 49, Nays None.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor failed to return the said ordinance to the said City Council with ~~his~~ written objections thereto at the next regular meeting of the said City Council occurring not less than five days after the passage of the said ordinance.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this seventh (7th) day of March, A. D. 1996.

[L. S.]

James J. Laski

James J. Laski, City Clerk.

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Ordinance associated with this drawing printed on pages 15776 through 15779 of this Journal.

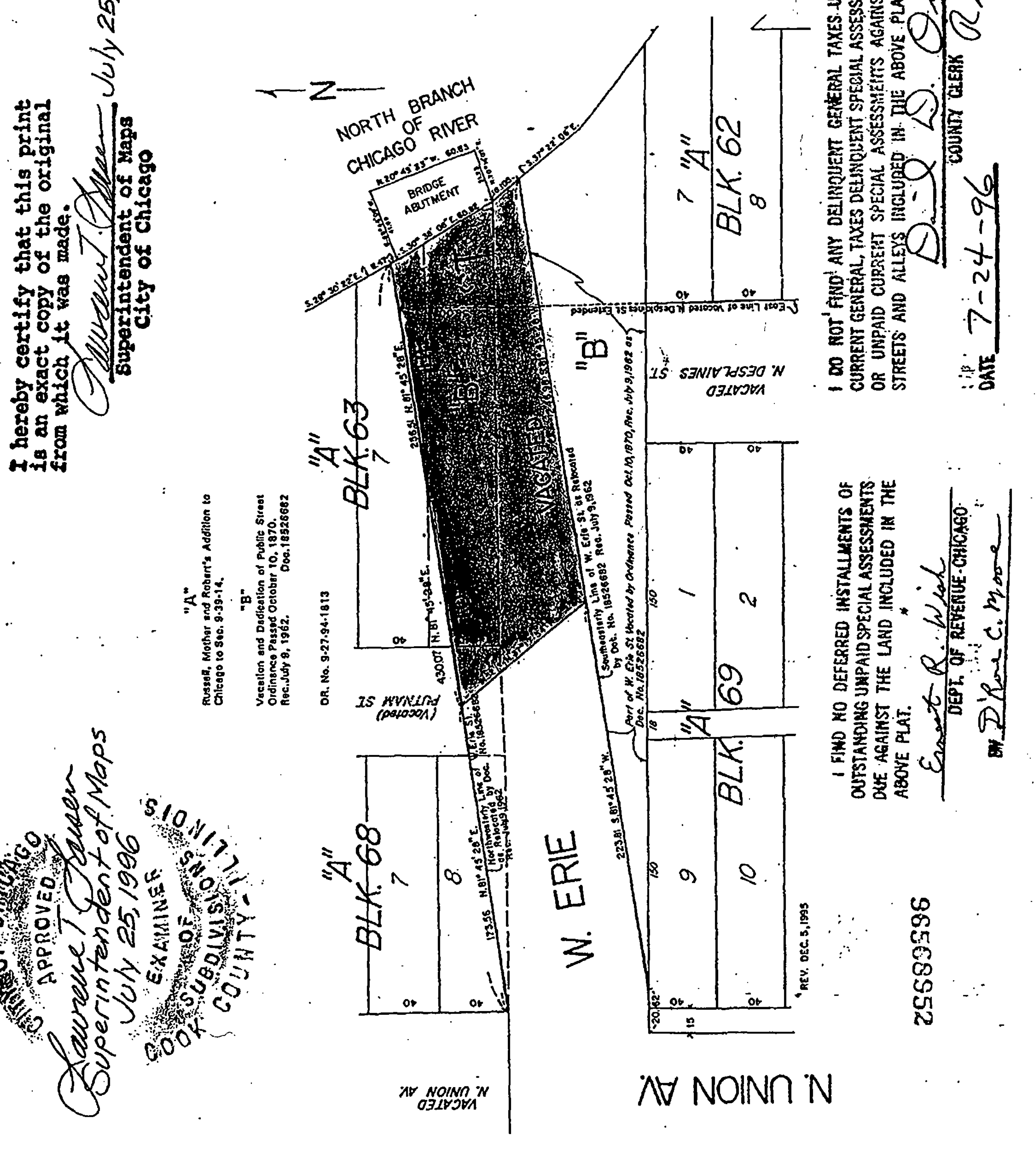

EXHIBIT C

FORM OF
RELEASE OF
RESTRICTIVE USE Covenant
(Attached)

RELEASE OF
RESTRICTIVE USE COVENANT

(The Above Space For Recorder's Use Only)

The City Council of the CITY OF CHICAGO, an Illinois municipal corporation ("City"), passed an ordinance on February 7, 1996 ("Vacation Ordinance"), which provided for an industrial program ("Industrial Program") street vacation ("Vacation") of a portion of W. Erie Street between approximately vacated N. Union Avenue (formerly known as N. Putnam Street) and the North Branch of the Chicago River ("Subject Property"), as legally described on **Exhibit A** attached hereto. The Vacation Ordinance was recorded on July 25, 1996 with the Office of the Cook County Recorder of Deeds as Document Number 96568952, a copy of which is attached hereto as **Exhibit B**.

The Vacation Ordinance provided that the Vacation of the Subject Property was conditioned upon a restrictive use covenant running with the land ("Restrictive Use Covenant"), that restricted the use of the Subject Property "to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only, and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, accessory offices, storage, employee and customer parking, and similar other uses and facilities."

The Restrictive Use Covenant was recorded on July 25, 1996 with the Office of the Cook County Recorder of Deeds as Document Number 96568953, and is attached hereto as **Exhibit C**.

Section 4 of the Vacation Ordinance sets forth that the Restrictive Use Covenant "may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or abandonment."

The City, upon due investigation and consideration, has determined that the public interest now warrants a release of the Restrictive Use Covenant reserved in Section 4 of the Vacation Ordinance for the payment of such additional compensation which it deems to be equal to the benefits accruing to the Developer because of such release of the Restrictive Use Covenant.

The City hereby releases the Restrictive Use Covenant from the Subject Property.

IN WITNESS WHEREOF, the City of Chicago has caused this instrument to be duly executed in its name and behalf, by the Acting Commissioner of the Department of Transportation, on or as of the ____ day of ___________, 2019.

CITY OF CHICAGO,
an Illinois municipal corporation

By: ________________________________
Thomas Carney
Acting Commissioner
Department of Transportation

Approved as to Form and Legality

____
Arthur Dolinsky
Senior Counsel

THIS TRANSFER IS EXEMPT PURSUANT TO THE PROVISIONS OF THE REAL ESTATE TRANSFER TAX ACT, 35 ILCS 200/31-45; AND SECTION 3-3 2-030B7(b) OF THE CHICAGO TRANSACTION TAX ORDINANCE.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Thomas Carney, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered as the Acting Commissioner of the Department of Transportation, the said instrument as his/her free and voluntary act, and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and official seal, this ______ day of __________, 2019.

____

Notary Public

THIS INSTRUMENT WAS PREPARED BY:
Arthur Dolinsky
Senior Counsel
City of Chicago, Department of Law
121 N. LaSalle Street, Room 600
Chicago, Illinois, 60601
312/744-8731

THIS TRANSFER IS EXEMPT PURSUANT TO THE PROVISIONS OF THE REAL ESTATE TRANSFER TAX ACT, 35 ILCS 200/31-45; AND SECTION 3-3 2-030B7(b) OF THE CHICAGO TRANSACTION TAX ORDINANCE.

EXHIBIT A
OF THE RELEASE OF RESTRICTIVE USE COVENANT

July 25, 1996
Recorded Vacation Ordinance
(Attached)

TJ

(1)

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WHEREAS, The City of Chicago ("City") is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has experienced a significant loss of industry and jobs in recent years, accompanied by a corresponding erosion of its tax base, due in part to industrial firms' inability to acquire additional property needed for their continued viability and growth; and

WHEREAS, Many industrial firms adjoin streets and alleys that are no longer required for public use and might more productively be used for plant expansion and modernization, employee parking, improved security, truck loading areas, or other industrial uses; and

WHEREAS, The City would benefit from the vacation of these streets and alleys by reducing City expenditures on maintenance, repair and

. DEPT-01 RECORDING $33.50
. T#2222 TRAN 3011 07/25/96 11:53:00
. #1538 # LM *-96-568952
. COOK COUNTY RECORDER

96568952

MAIL TO

Roger Vree, Esq.
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

33.50
6 Copies

replacement; by reducing fly-dumping, vandalism and other criminal activity; and by expanding the City's property tax base; and

WHEREAS, The City can strengthen established industrial areas and expand the City's job base by encouraging the growth and modernization of existing industrial facilities through the vacation of public streets and alleys for reduced compensation; and

WHEREAS, The properties at 777 West Chicago Avenue are owned by the Chicago Tribune Company, a firm employing one thousand six hundred (1,600) individuals in the printing of newspapers; and

WHEREAS, The Chicago Tribune Company proposes to limit the use of that part of West Erie Street to be vacated herein for such manufacturing purposes and other such uses which are reasonably necessary therefore; and

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of part of the public street described in the following ordinance; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That all that part of West Erie Street together with all that part of West Erie Street relocated by ordinance approved by the Common Council of the City of Chicago, October 10, 1870 and recorded July 9, 1962 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 18526682 bounded and described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street aforesaid, 173.56 feet to the herein designated point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along said northwesterly line, 256.51 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence south 37 degrees, 22 minutes 06 seconds east along said dock line, 18.105 feet to the point of intersection with the southeasterly line of West Erie Street aforesaid; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 246.98 feet; thence north 37 degrees, 17 minutes, 54 seconds west, 91.52 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, said part of public street herein vacated being further described as the easterly 256.61 feet, more or less, of West Erie Street lying between the east line of North

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Union Avenue and the westerly line of the north branch of the Chicago River,

as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same is hereby vacated and closed, inasmuch as the same is no longer required for public use and the public interest will be subserved by such vacation.

SECTION 2. The City of Chicago hereby reserves for the benefit of the Metropolitan Water Reclamation District of Greater Chicago a perpetual easement to construct, reconstruct, repair, maintain and operate existing west side intercepting sewer and appurtenances thereto (hereinafter called "Sewer Facilities") above, upon, across, under and through a segment of the premises "To Be Vacated" hereunder legally described as: that part of West Erie Street, as dedicated by ordinance passed October 10, 1870 and recorded July 9, 1962 as Document Number 18526682, bounded and described as follows:

commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition in Section 9, Township 39 North, Range 14; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 250.00 feet to the point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line, 25.17 feet; thence south 37 degrees, 17 minutes, 54 seconds east, 91.52 feet to the southeasterly line of West Erie Street; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 25.17 feet; thence north 37 degrees, 17 minutes, 64 seconds west, 91.25 feet to the point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

It is further provided that no buildings or other structures shall be erected on the said area herein reserved or other use made of said area, which in the judgment of the officials having control of the aforesaid Sewer Facilities would interfere with the construction, reconstruction, repair, maintenance and operation of said Sewer Facilities. Said perpetual easement is an encumbrance which runs with the land.

SECTION 3. The Commission of Planning and Development is hereby authorized to execute and deliver to the Chicago Tribune Company a quitclaim deed for the portion of West Erie Street vacated herein, together with all riparian rights appurtenant thereto, and all improvements located on such vacated property (excepting those for which an easement has been reserved in Section 2 of this ordinance) or constructed pursuant to the riparian rights appurtenant to such vacated property, including the bridge abutment located within the property legally described as follows:

that part of the north branch of the Chicago River lying easterly of and adjoining West Erie Street, as dedicated by ordinance passed October 10, 1870, and recorded July 9, 1962 as Document Number 18526682, said parcel being more particularly described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 430.07 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet to the herein designated point of beginning; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence north 70 degrees, 14 minutes, 07 seconds east, 31.23 feet; thence north 20 degrees, 49 minutes, 33 seconds west, 60.83 feet; thence south 68 degrees, 44 minutes, 09 seconds west, 41.59 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Such quitclaim deed shall be conditioned upon and shall provide the following as covenants running with land of the portion of West Erie Street herein vacated and the riparian rights appurtenant thereto:

a. all permits issued by the Army Corps of Engineers, or predecessor thereof, under Section 10 of the Rivers and Harbors Act of 1899, as amended, 33 USC Section 403, or such other preceding authority, pertaining to such improvements shall be deemed transferred to the Chicago Tribune Company along with vacated property, the riparian rights and the improvements referenced above; and

b. the Chicago Tribune Company shall indemnify, defend and hold harmless the City of Chicago, its agents and employees from and against any claim or liability arising under such permits after the date of delivery of the deed.

SECTION 4. The Commissioner of Planning and Development is hereby authorized to accept, subject to the approval of the Corporation Counsel as to form and legality, and on behalf of the City of Chicago, the benefits of a covenant or similar instrument restricting the use of the public way vacated by this ordinance to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, accessory offices, storage, employee and customer parking, and similar other uses and facilities. Such covenant shall be enforceable in law or in equity and shall be deemed to provide for reconveyance of the property

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to the City upon substantial breach of the terms and conditions thereof. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns, and the burdens of such covenant shall run with and burden the public way vacated by this ordinance. The covenant may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or an abandonment.

SECTION 5. The vacation herein provided for is made upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Chicago Tribune Company shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with a restrictive covenant complying with Section 4 of this ordinance, approved by the Corporation Counsel, and an attached drawing approved by the Superintendent of Maps.

SECTION 6. This ordinance shall take effect and be in force from and after its passage.

[Drawing referred to in this ordinance printed on page 15780 of this Journal.]

STATE OF ILLINOIS, } ss.
County of Cook.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office concerning a vacation of West Erie Street, between North Union Avenue and North Branch of Chicago River.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the seventh (7th) day of February, A. D. 1996 and deposited in my office on the seventh (7th) day of February, A. D. 1996.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit:

Yeas 49, Nays None.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor failed to return the said ordinance to the said City Council with ~~his~~ written objections thereto at the next regular meeting of the said City Council occurring not less than five days after the passage of the said ordinance.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this seventh (7th) day of March, A. D. 1996

[L. S.]

James J. Laski

James J. Laski, City Clerk.

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Ordinance associated with this drawing printed on pages 15776 through 15779 of this Journal.

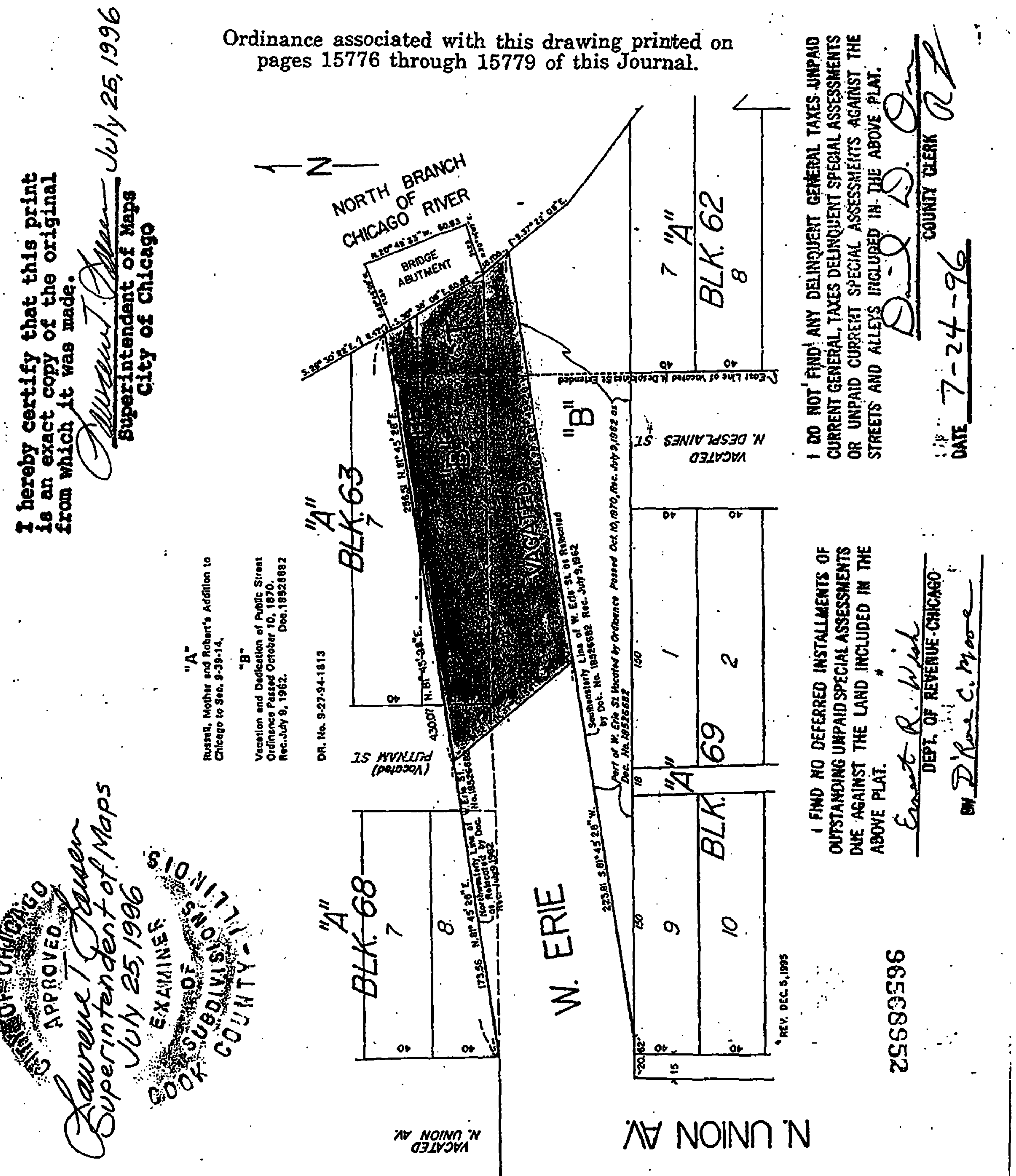

EXHIBIT B
OF THE RELEASE OF RESTRICTIVE USE COVENANT

Legal Description
Of
Subject Property
Being Released

commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of W. Erie Street aforesaid, 173.56 feet to the herein designated point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along said northwesterly line, 256.51 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence south 37 degrees, 22 minutes 06 seconds east along said dock line, 18,105 feet to the point of intersection with the southeasterly line of W. Erie Street aforesaid; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 246.98 feet; thence north 37 degrees, 17 minutes, 54 seconds west, 91.52 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, said part of public street herein vacated being further described as the easterly 256.61 feet, more or less, of W. Erie Street lying between the east line of N. Union Avenue and the westerly line of the north branch of the Chicago River,

EXHIBIT C
OF THE RELEASE OF RESTRICTIVE USE COVENANT

July 25, 1996
Recorded Restrictive Use Covenant
(Attached)

(2)

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. DEPT-01 RECORDING $47.50
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. #1539 # LH *-96-568953
. COOK COUNTY RECORDER

RESTRICTIVE COVENANT

WHEREAS, the Chicago Tribune Company ("Owner"), holds legal title to certain parcels of real property ("Abutting Property") which are located at 777 West Chicago Avenue, in the County of Cook, State of Illinois, and which are currently used for the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only, and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, storage, employee and customer parking, and other similar uses and facilities; and

WHEREAS, on February 7, 1996, the City Council of the City of Chicago approved an ordinance (C.J. pp. 15774-80), a copy of which is attached as Exhibit A and which is hereby incorporated ("Ordinance") which Ordinance provided for the vacation of a certain portion of public way known as the easterly 256.61 feet, more or less, of W. Erie Street lying between the east line of North Union Avenue and the westerly line of the north branch of the Chicago River (hereinafter referred to as "Subject Premises"), the Subject Premises being more particularly described in Exhibit A which is attached and incorporated; and

WHEREAS, the vacation provided in the Ordinance is conditioned upon the execution and recording by the Owner of a restrictive covenant running with the land that

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MAIL TO

Roger Vree, Esq.
Sidley + Austin
One First National Plaza
Chicago, Illinois 60603

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provides that the Subject Premises shall be used only for manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only, and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, storage, employee and customer parking, and other similar uses and facilities;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PASSAGE AND APPROVAL OF THE VACATION ORDINANCE AND THE VESTING OF TITLE IN THE OWNER, WITHOUT THE REQUIREMENT THAT THE OWNER PAY COMPENSATION TO THE CITY, THE OWNER DOES HEREBY AGREE AND COVENANT UNTO THE CITY OF CHICAGO AS FOLLOWS:

1. USE. The Owner hereby covenants to the City of Chicago that the above-described Subject Premises shall not be used for any use or purpose other than those which are set forth in Exhibit B, which is attached and incorporated, and for those uses and purposes which are accessory to such activities, including, but not limited to, the location of necessary and appropriate offices and facilities, storage, employee and customer parking and other similar uses and facilities. The consideration for such covenant, which is deemed and agreed to be valuable and sufficient, is the vacation by the City of Chicago of the Subject Premises for the benefit of Owner without the requirement that the Owner pay compensation to the City.

2. COVENANT TO RUN WITH THE LAND AND TERM THEREOF. The burdens of the covenant herein contained shall run with the Subject Premises. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns. The covenant shall be binding on the Owner, its successors and assigns, and shall be enforceable by

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the City, its successors and assigns. The covenant may be released or abandoned only upon approval of the City Council of the City of Chicago which may condition its approval upon the payment of such additional compensation by the Owner or any persons claiming under the Owner, which said City Council of the City of Chicago deems to be equal to the benefits accruing because of the release or abandonment of the covenant.

3. **VIOLATION OF RESTRICTIONS.**

(a) Reversion. In the event that the Owner violates a restriction contained herein, the City of Chicago may serve the Owner with a written notice entitled NOTICE OF VIOLATION setting forth the violations. Such notice shall be sent to Owner at 435 North Michigan Avenue, Chicago, Illinois 60611. Within thirty (30) days of receipt of said Notice of Violation, Owner shall cause the correction of or cure the violations set forth therein. In the event that Owner shall fail or refuse to cause the correction of or cure such violations within the period of thirty (30) days, the City of Chicago may then record with the Cook County Recorder of Deeds a copy of the Notice of Violation, proof of personal service of the Notice of Violation and a Notice of Reversion. Upon the recording of the aforementioned documents by the City of Chicago, the Subject Premises shall be deemed to be conveyed by Owner to the City of Chicago. In the event that the City does not exercise its right of reversion as stated in this Section 3(a) within twenty (20) years from the date of execution and recording of this Covenant, then the provisions of this Section 3(a) shall be deemed null and void.

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(b) Enforcement. In addition to the foregoing, this Covenant shall be enforceable by all remedies available in law or in equity, including injunctive relief.

IN WITNESS WHEREOF, the Owner has caused this Covenant to be duly executed and attested to this 28 day of May, 1996.

THE CHICAGO TRIBUNE COMPANY

By: James E. Dill

Its: V.P. / Mfg & Distribution

ATTEST:

X Stanley J Gradowski

Its: Secretary

ACCEPTED:

DMD

Commissioner of Planning and Development

APPROVED AS TO FORM AND LEGALITY:

John D. McDonough

~~Chief~~ Assistant Corporation Counsel

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that JAMES E. O'DELL, personally known to me to be the VICE PRESIDENT of CHICAGO TRIBUNE, a ILLINOIS corporation, is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such VICE PRESIDENT he/she signed and delivered the said instrument, as the free and voluntary act of such corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28th day of May, 1996.

Yvonne McCarter
Notary Public

My commission expires June 24, 1997

"OFFICIAL SEAL"
YVONNE MCCARTER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 6/24/97

Prepared by and when recorded, return to:
John McDonough
Assistant Corporation Counsel
121 North LaSalle Street
Room 610, City Hall
Chicago, Illinois 60602
312/744-9827

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EXHIBIT A - VACATION ORDINANCE

No. P.I.N. applicable - document
affects newly vacated public way

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Transportation and approved by the Commissioner of Buildings and the Division Marshal in charge of the Bureau of Fire Prevention. Said canopy shall not exceed twenty-four (24) feet in length, nor eight (8) feet in width.

The Permittee shall pay to the City of Chicago as compensation for the privilege the sum of Fifty and no/100 Dollars ($50.00) per annum, in advance. In the event the Permittee transfers title or vacates the premises, the Permittee shall, nevertheless, remain liable to the City of Chicago for the annual compensation until the canopy is removed. The Permittee shall renew the privilege herein granted to the date of expiration.

The Permittee shall protect, defend, indemnify and hold harmless the City of Chicago, its officers, agents and employees, against and from any expense, claim, controversy, damage, personal injury, death, liability, judgment, or obligation arising out of the construction, repair, replacement, cleaning, use, maintenance or operation of the canopy arising out of and including the passive negligence of the City of Chicago.

The permit shall be subject to amendment, modification or revocation by the Mayor and the Director of Revenue in their discretion without the consent of the Permittee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the Permittee shall remove the canopy without cost to the City of Chicago.

The privilege herein granted shall not be exercised until a permit shall have been issued by the Director of Revenue.

VACATION OF WEST ERIE STREET, BETWEEN NORTH UNION AVENUE AND NORTH BRANCH OF CHICAGO RIVER.

The Committee on Transportation and Public Way submitted the following report:

CHICAGO, December 6, 1995.

To the President and Members of the City Council:

Your Committee on Transportation and Public Way begs leave to recommend that Your Honorable Body *Pass* a proposed ordinance vacating West Erie Street, between North Union Avenue and the north branch of the

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Chicago River. This ordinance was referred to the committee on December 6, 1995.

This recommendation was concurred in unanimously by a viva voce vote of the members of the committee, with no dissenting vote.

Respectfully submitted,

(Signed) PATRICK M. HUELS,
Chairman.

On motion of Alderman Huels, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Holt, Steele, Beavers, Dixon, Shaw, Buchanan, Huels, Frias, Olivo, Burke, Jones, Coleman, Streeter, Murphy, Rugai, Troutman, Evans, Munoz, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Burrell, Wojcik, Suarez, Gabinski, Mell, Austin, Colom, Banks, Giles, Allen, Laurino, O'Connor, Doherty, Natarus, Bernardini, Hansen, Levar, Shiller, Schulter, M. Smith, Moore, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City") is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The City has experienced a significant loss of industry and jobs in recent years, accompanied by a corresponding erosion of its tax base, due in part to industrial firms' inability to acquire additional property needed for their continued viability and growth; and

WHEREAS, Many industrial firms adjoin streets and alleys that are no longer required for public use and might more productively be used for plant expansion and modernization, employee parking, improved security, truck loading areas, or other industrial uses; and

WHEREAS, The City would benefit from the vacation of these streets and alleys by reducing City expenditures on maintenance, repair and

replacement; by reducing fly-dumping, vandalism and other criminal activity; and by expanding the City's property tax base; and

WHEREAS, The City can strengthen established industrial areas and expand the City's job base by encouraging the growth and modernization of existing industrial facilities through the vacation of public streets and alleys for reduced compensation; and

WHEREAS, The properties at 777 West Chicago Avenue are owned by the Chicago Tribune Company, a firm employing one thousand six hundred (1,600) individuals in the printing of newspapers; and

WHEREAS, The Chicago Tribune Company proposes to limit the use of that part of West Erie Street to be vacated herein for such manufacturing purposes and other such uses which are reasonably necessary therefore; and

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of part of the public street described in the following ordinance; now; therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That all that part of West Erie Street together with all that part of West Erie Street relocated by ordinance approved by the Common Council of the City of Chicago, October 10, 1870 and recorded July 9, 1962 in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 18526682 bounded and described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street aforesaid, 173.56 feet to the herein designated point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along said northwesterly line, 256.51 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence south 37 degrees, 22 minutes 06 seconds east along said dock line, 18.105 feet to the point of intersection with the southeasterly line of West Erie Street aforesaid; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 246.98 feet; thence north 37 degrees, 17 minutes, 54 seconds west, 91.52 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, said part of public street herein vacated being further described as the easterly 256.61 feet, more or less, of West Erie Street lying between the east line of North

Union Avenue and the westerly line of the north branch of the Chicago River,

as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same is hereby vacated and closed, inasmuch as the same is no longer required for public use and the public interest will be subserved by such vacation.

SECTION 2. The City of Chicago hereby reserves for the benefit of the Metropolitan Water Reclamation District of Greater Chicago a perpetual easement to construct, reconstruct, repair, maintain and operate existing west side intercepting sewer and appurtenances thereto (hereinafter called "Sewer Facilities") above, upon, across, under and through a segment of the premises "To Be Vacated" hereunder legally described as: that part of West Erie Street, as dedicated by ordinance passed October 10, 1870 and recorded July 9, 1962 as Document Number 18526682, bounded and described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition in Section 9, Township 39 North, Range 14; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 250.00 feet to the point of beginning; thence continuing north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line, 25.17 feet; thence south 37 degrees, 17 minutes, 54 seconds east, 91.52 feet to the southeasterly line of West Erie Street; thence south 81 degrees, 45 minutes, 28 seconds west along said southeasterly line, 25.17 feet; thence north 37 degrees, 17 minutes, 64 seconds west, 91.25 feet to the point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

It is further provided that no buildings or other structures shall be erected on the said area herein reserved or other use made of said area, which in the judgment of the officials having control of the aforesaid Sewer Facilities would interfere with the construction, reconstruction, repair, maintenance and operation of said Sewer Facilities. Said perpetual easement is an encumbrance which runs with the land.

SECTION 3. The Commission of Planning and Development is hereby authorized to execute and deliver to the Chicago Tribune Company a quitclaim deed for the portion of West Erie Street vacated herein, together with all riparian rights appurtenant thereto, and all improvements located on such vacated property (excepting those for which an easement has been reserved in Section 2 of this ordinance) or constructed pursuant to the riparian rights appurtenant to such vacated property, including the bridge abutment located within the property legally described as follows:

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that part of the north branch of the Chicago River lying easterly of and adjoining West Erie Street, as dedicated by ordinance passed October 10, 1870, and recorded July 9, 1962 as Document Number 18526682, said parcel being more particularly described as follows:

> commencing at the southwest corner of Lot 8 in Block 68 in Russell, Mather and Robert's Addition to Chicago; thence north 81 degrees, 45 minutes, 28 seconds east along the northwesterly line of West Erie Street, 430.07 feet to the present dock line of the north branch of the Chicago River; thence south 28 degrees, 30 minutes, 22 seconds east along said dock line, 8.47 feet to the herein designated point of beginning; thence south 30 degrees, 38 minutes, 08 seconds east, 60.82 feet; thence north 70 degrees, 14 minutes, 07 seconds east, 31.23 feet; thence north 20 degrees, 49 minutes, 33 seconds west, 60.83 feet; thence south 68 degrees, 44 minutes, 09 seconds west, 41.59 feet to the hereinabove designated point of beginning, all in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Such quitclaim deed shall be conditioned upon and shall provide the following as covenants running with land of the portion of West Erie Street herein vacated and the riparian rights appurtenant thereto:

a. all permits issued by the Army Corps of Engineers, or predecessor thereof, under Section 10 of the Rivers and Harbors Act of 1899, as amended, 33 USC Section 403, or such other preceding authority, pertaining to such improvements shall be deemed transferred to the Chicago Tribune Company along with vacated property, the riparian rights and the improvements referenced above; and

b. the Chicago Tribune Company shall indemnify, defend and hold harmless the City of Chicago, its agents and employees from and against any claim or liability arising under such permits after the date of delivery of the deed.

SECTION 4. The Commissioner of Planning and Development is hereby authorized to accept, subject to the approval of the Corporation Counsel as to form and legality, and on behalf of the City of Chicago, the benefits of a covenant or similar instrument restricting the use of the public way vacated by this ordinance to the manufacturing (including production, processing, cleaning, servicing, testing and repair) of materials, goods or products only and for those structures and additional uses which are reasonably necessary to permit such manufacturing use including the location of necessary facilities, accessory offices, storage, employee and customer parking, and similar other uses and facilities. Such covenant shall be enforceable in law or in equity and shall be deemed to provide for reconveyance of the property

to the City upon substantial breach of the terms and conditions thereof. The benefits of such covenant shall be deemed in gross to the City of Chicago, its successors and assigns, and the burdens of such covenant shall run with and burden the public way vacated by this ordinance. The covenant may be released or abandoned by the City only upon approval of the City Council which may condition its approval upon the payment of such additional compensation which it deems to be equal to the benefits accruing because of the release or an abandonment.

SECTION 5. The vacation herein provided for is made upon the express condition that within one hundred eighty (180) days after the passage of this ordinance, the Chicago Tribune Company shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with a restrictive covenant complying with Section 4 of this ordinance, approved by the Corporation Counsel, and an attached drawing approved by the Superintendent of Maps.

SECTION 6. This ordinance shall take effect and be in force from and after its passage.

[Drawing referred to in this ordinance printed on page 15780 of this Journal.]

VACATION OF PORTION OF NORTH/SOUTH PUBLIC ALLEY IN BLOCK BOUNDED BY BURLINGTON NORTHERN RAILROAD, WEST CERMAK ROAD, SOUTH KEDZIE AVENUE AND SOUTH TROY STREET.

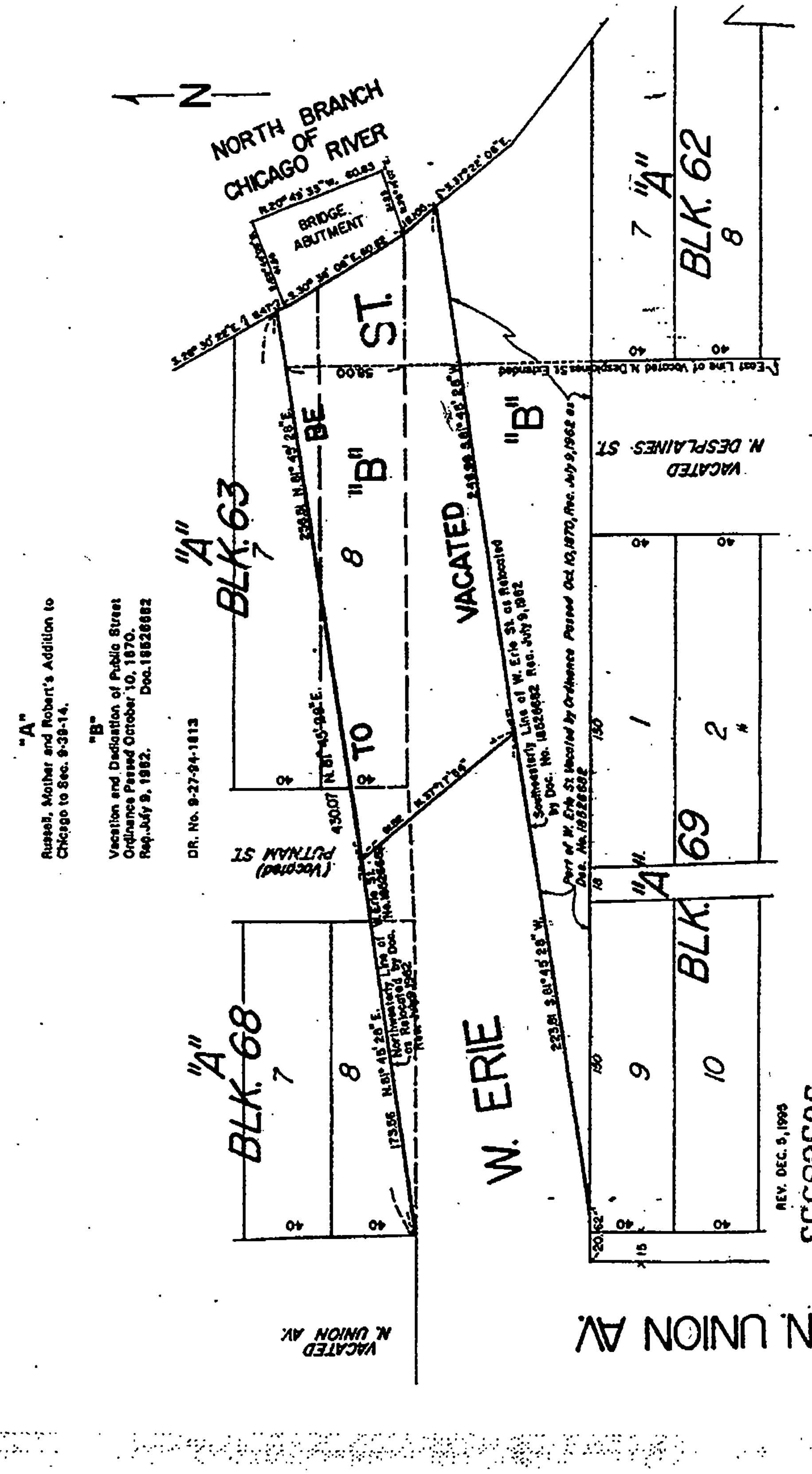
The Committee on Transportation and Public Way submitted the following report:

CHICAGO, February 5, 1996.

To the President and Members of the City Council:

(Continued on page 15781)

Ordinance associated with this drawing printed on pages 15776 through 15779 of this Journal.



TJ

EXHIBIT B - PERMITTED USES

1. Manufacturing, production, processing, assembly, fabricating, cleaning, servicing and repair of materials, goods or products, including but not limited to the following:

   a. Food and Kindred Products
   b. Tobacco Products
   c. Apparel and Other Textile Products
   d. Lumber and Wood Products
   e. Furniture and Fixtures
   f. Paper and Allied Products
   g. Printed and Published Products
   h. Chemicals and Allied Products
   i. Petroleum and Coal Products
   j. Rubber and Miscellaneous Plastics
   k. Leather and Leather Products
   l. Stone, Clay and Glass Products
   m. Primary Metals
   n. Fabricated Metal Products
   o. Industrial Machinery and Equipment
   p. Electronic and Electric Equipment
   q. Transportation Equipment
   r. Instruments and Related Products

2. Transportation and wholesale trade, as distinguished from retail trade, of the materials, goods or products listed above.

3. Research and development of prototypes and processes related to the activities listed above.

a:covenant.903

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

IL-777 West Chicago Avenue, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant

OR

2. [ ] a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: ______

OR

3. [ ] a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control:

______

B. Business address of the Disclosing Party: 515 N. State St., 24th Fl.
Chicago, IL 60654

C. Telephone: 424-702-4451 Fax: N/A Email: rdeboer@tribunemedia.com

D. Name of contact person: Rita E. DeBoer

E. Federal Employer Identification No. (if you have one): ______

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Applicant seeks to vacate restrictive covenant recorded against that part of vacated W. Erie St. lying east of N. Union St. and west of the North Branch Chicago River

G. Which City agency or department is requesting this EDS? Chicago Department of Transportation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # ______ and Contract # ______

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person	[X] Limited liability company
[ ] Publicly registered business corporation	[ ] Limited liability partnership
[ ] Privately held business corporation	[ ] Joint venture
[ ] Sole proprietorship	[ ] Not-for-profit corporation
[ ] General partnership	(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Limited partnership	[ ] Yes [ ] No
[ ] Trust	[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[x] Yes [ ] No [ ] Organized in Illinois

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See attached Addendum No. 1 for the full names and titles of executive officers	
Tribune Real Estate Holdings, LLC	100% Sole Member

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

NOTE: Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
Tribune Real Estate Holdings, LLC	515 N. State St., Chgo., IL	100% Sole Member
Tribune Media Company (NYSE: TRCO)	515 N. State St., Chgo., IL	100% Sole Member of Tribune Real Estate Holdings, LLC
Nexstar Media Group, Inc. (NASDAQ: NXST)	Irving, TX	100% indirect interest as prospective owner of Tribune Media Company

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS? [ ] Yes [x] No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS? [ ] Yes [x] No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?
[ ] Yes [x] No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
See attached Addendum No. 2			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).

6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

None

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X__1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

____

____

____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded**, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

____

____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?
[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No [ ] Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question (1) or (2) above, please provide an explanation:

____

____

SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable Appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable Appendices, are true, accurate and complete as of the date furnished to the City.

IL-777 WEST CHICAGO AVENUE, LLC

(Print or type exact legal name of Disclosing Party)

By: ______________________
(Sign here)

Murray McQueen

(Print or type name of person signing)

President

(Print or type title of person signing)

Signed and sworn to before me on (date) 5/28/2019,

at Cook County, Illinois (state).

Karen M. Kremer
Notary Public

OFFICIAL SEAL
KAREN M KREMER
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Sept. 18, 2022

Commission expires: 9-18-2022

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

___

___

___

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [x] No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [ ] No [x] The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX C

PROHIBITION ON WAGE & SALARY HISTORY SCREENING - CERTIFICATION

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in MCC Section 2-92-385. That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to MCC Section 2-92-385, I hereby certify that the Applicant is in compliance with MCC Section 2-92-385(b)(1) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

[ ] Yes

[ ] No

[x] N/A – I am not an Applicant that is a "contractor" as defined in MCC Section 2-92-385.

This certification shall serve as the affidavit required by MCC Section 2-92-385(c)(1).

If you checked "no" to the above, please explain.

____

____

____

Addendum No. 1

Section II.B.1

(i) Officers of IL-777 West Chicago Avenue, LLC:

Name	Title
Murray McQueen	President
Jack Rodden	Vice President
Chandler Bigelow III	Treasurer
Jessica Kirsch	Secretary
Brian F. Litman	Assistant Treasurer
Patrick M. Shanahan	Assistant Treasurer

(ii) N/A

(iii) N/A

(iv) Sole Member of Disclosing Party: Tribune Real Estate Holdings, LLC:

Addendum No. 2

Section IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated) NOTE: "hourly rate" or "t.b.d." is not an acceptable response
Neal & Leroy, LLC (retained)(Scott R. Borstein and Langdon D. Neal)	20 S. Clark St., Ste. 2050 Chicago, IL 60603	Attorneys	$20,000 (estimated)

ν

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Tribune Real Estate Holdings, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant

OR

2. [X] a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: IL-777 West Chicago Avenue, LLC

OR

3. [ ] a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control:

____

B. Business address of the Disclosing Party: 515 N. State St., 24th Fl
Chicago, IL 60654

C. Telephone: 424-702-4451 Fax: N/A Email: rdeboer@tribunemedia.com

D. Name of contact person: Rita E. DeBoer

E. Federal Employer Identification No. (if you have one): ______________

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Applicant seeks to vacate restrictive covenant recorded against that part of vacated W. Erie St. lying east of the N. Union St. and west of the North Branch of the Chicago River.

G. Which City agency or department is requesting this EDS? Chicago Department of Transportation

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # ______________ and Contract # ______________

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] Organized in Illinois

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See attached Addendum No. 1	

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

NOTE: Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
Tribune Real Estate Holdings, LLC	515 N. State St., Chgo., IL	100% Sole Member
Tribune Media Company (NYSE: TRCO)	515 N. State St., Chgo., IL	100% sole member of Tribune Real Estate Holdings, LLC
Nexstar Media Group, Inc. (NASDAQ: NXST)	Irving, TX	100% indirect interest as prospective owner of Tribune Media Company

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS? [ ] Yes [x] No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS? [ ] Yes [x] No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?
[ ] Yes [x] No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?
[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).

6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

None

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)
[ ] is [x] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?
[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No [ ] Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question (1) or (2) above, please provide an explanation:

____

____

SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable Appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable Appendices, are true, accurate and complete as of the date furnished to the City.

Tribune Real Estate Holdings, LLC

(Print or type exact legal name of Disclosing Party)

By: ______________________

(Sign here)

Murray McQueen

(Print or type name of person signing)

President

(Print or type title of person signing)

Signed and sworn to before me on (date) 5·28·2019,

at Cook County, Illinois (state).

Karen M. Kremer

Notary Public

OFFICIAL SEAL
KAREN M KREMER
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Sept. 18, 2022

Commission expires: 9·18·2022

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

____

____

____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [x] No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [ ] No [x] The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX C

PROHIBITION ON WAGE & SALARY HISTORY SCREENING - CERTIFICATION

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in MCC Section 2-92-385. That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to MCC Section 2-92-385, I hereby certify that the Applicant is in compliance with MCC Section 2-92-385(b)(1) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

[ ] Yes

[ ] No

[x] N/A – I am not an Applicant that is a "contractor" as defined in MCC Section 2-92-385.

This certification shall serve as the affidavit required by MCC Section 2-92-385(c)(1).

If you checked "no" to the above, please explain.

____

____

____

Addendum No. 1

Section II.B.1

(i) Officers of Tribune Real Estate Holdings, LLC:

Name	Title
Murray McQueen	President
Jack Rodden	Vice President
Chandler Bigelow III	Treasurer
Jessica Kirsch	Secretary
Brian F. Litman	Assistant Treasurer
Patrick M. Shanahan	Assistant Treasurer

(ii) N/A

(iii) N/A

(iv) Sole Member of Tribune Real Estate Holdings, LLC:

Tribune Media Company; 100% Sole Member; (NYSE: TRCO; 10-Q Form filed with the SEC on May 10, 2019 is attached)

Nexstar Media Group, Inc.; 100% indirect interest as prospective owner of Tribune Media Company; (NASDAQ: NXST; 10-Q Form filed with the SEC on May 10, 2019 is attached)

10-Q 1 a10-q_q12019.htm 10-Q Q1 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-8572

TRIBUNE MEDIA COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**36-1880355**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
515 North State Street, Chicago, Illinois	**60654**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code (312) 222-3394

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A Common Stock, par value $0.001 per share	TRCO	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer ☒	Accelerated Filer ☐	Non-Accelerated Filer ☐
Smaller Reporting Company ☐	Emerging Growth Company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
Yes ☐ No ☒

As of April 30, 2019, 88,277,941 shares of the registrant's Class A Common Stock and 5,557 shares of the registrant's Class B Common Stock were outstanding

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

TRIBUNE MEDIA COMPANY
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2019
INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of dollars, except per share data)
(Unaudited)

	Three Months Ended			
	March 31, 2019		March 31, 2018	
Operating Revenues				
Television and Entertainment	$	453,427	$	440,702
Other		1,561		2,933
Total operating revenues		454 988		443 635
Operating Expenses				
Programming		119 887		100,741
Direct operating expenses		99,163		101,388
Selling, general and administrative		133,262		131,956
Depreciation		12,952		15,775
Amortization		35,021		41,687
Gain on sales of spectrum (Note 8)		—		(133,197)
Total operating expenses		400,285		256,350
Operating Profit		54,703		187,285
Income on equity investments net		45 685		39,137
Interest income		6,247		1,898
Interest expense		(43,615)		(40,631)
Pension and other postretirement periodic benefit credit, net		4,630		7,084
Gain on investment transactions		86,272		3,888
Other non-operating (loss) gain net		(1 623)		117
Reorganization items net		(1 318)		(893)
Income Before Income Taxes		150 981		197,885
Income tax expense		37,777		56,702
Net Income	$	113 204	$	141,183
Net loss attributable to noncontrolling interests		4		6
Net Income attributable to Tribune Media Company	$	113 208	$	141,189

Net Earnings Per Common Share Attributable to Tribune Media Company				
Basic	$	1 29	$	1 61
Diluted	$	1 27	$	1 60

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands of dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Net Income	$ 113 204	$ 141,183
Other Comprehensive Income (Loss), net of taxes		
Pension and other post-retirement benefit items		
Adjustment for previously unrecognized benefit plan gains and losses included in net income, net of taxes of $(19) and $(16) for the three months ended March 31, 2019 and March 31, 2018, respectively	(54)	(46)
Cash flow hedging instruments		
Unrealized gains and losses net of taxes of $(1 740) and $2 596 for the three months ended March 31, 2019 and March 31, 2018, respectively	(5 018)	7,487
Gains and losses reclassified to net income, net of taxes of $(74) and $214 for the three months ended March 31, 2019 and March 31, 2018, respectively	(212)	616
Change in unrecognized gains and losses on cash flow hedging instruments, net of taxes	(5,230)	8,103
Foreign currency translation adjustments		
Change in foreign currency translation adjustments net of taxes of $(5) and $(9) for the three months ended March 31 2019 and March 31 2018 respectively	(328)	435
Other Comprehensive Income (Loss), net of taxes	(5 612)	8 492
Comprehensive Income	$ 107,592	$ 149,675
Comprehensive loss attributable to noncontrolling interests	4	6
Comprehensive Income Attributable to Tribune Media Company	$ 107 596	$ 149 681

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except for share and per share data)
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Current Assets		
Cash and cash equivalents	$ 1 294,249	$ 1,063,041
Restricted cash and cash equivalents	16 607	16,607
Accounts receivable (net of allowances of $4,718 and $4 461)	405,007	416,938
Broadcast rights	87 645	98,269
Income taxes receivable	17,625	23,922
Prepaid expenses	26,112	19,444
Other	7 559	7 509
Total current assets	1 854,804	1,645 730
Properties		
Property, plant and equipment	636 908	687 377
Accumulated depreciation	(277,919)	(266,078)
Net properties	358 989	421,299
Other Assets		
Broadcast rights	82 132	95,876
Operating lease right-of-use assets (Note 3)	151 485	—
Goodwill	3 228,436	3,228,601
Other intangible assets, net	1 405,559	1,442,456
Assets held for sale	60 177	—
Investments	1 136,553	1,264,437
Other	141 999	152,992
Total other assets	6 206,341	6,184,362
Total Assets (1)	$ 8 420,134	$ 8,251,391

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except for share and per share data)
(Unaudited)

	March 31, 2019	December 31, 2018
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 43 605	$ 44,897
Income taxes payable	101 856	9,973
Employee compensation and benefits	45 610	79,482
Contracts payable for broadcast rights	220 255	232,687
Deferred revenue	12 679	12 508
Interest payable	14,509	30,086
Operating lease liabilities (Note 3)	24 230	—
Other	40 093	42 160
Total current liabilities	502 837	451,793
Non-Current Liabilities		
Long-term debt (net of unamortized discounts and debt issuance costs of $27 726 and $29,434)	2,927,791	2,926 083
Deferred income taxes	515,764	573,924
Contracts payable for broadcast rights	201 525	233,275
Pension obligations net	375 919	380,322
Postretirement medical life and other benefits	8 122	8 298
Operating lease liabilities (Note 3)	143,798	—
Other obligations	118,613	154,599
Total non-current liabilities	4,291,532	4,276,501
Total Liabilities (1)	4,794,369	4,728,294
Commitments and Contingent Liabilities (Note 8)		
Shareholders' Equity		
Preferred stock ($0 001 par value per share)		
Authorized 40,000,000 shares, No shares issued and outstanding at March 31, 2019 and at December 31, 2018	—	—
Class A Common Stock ($0 001 par value per share)		
Authorized 1,000,000,000 shares, 102 349,311 shares issued and 88 247 126 shares outstanding at March 31, 2019 and 101,790 837 shares issued and 87,688,652 shares outstanding at December 31 2018	102	102
Class B Common Stock ($0 001 par value per share)		
Authorized 1,000,000,000 shares, Issued and outstanding 5,557 shares at March 31 2019 and December 31 2018	—	—
Treasury stock at cost 14 102,185 shares at March 31, 2019 and December 31, 2018	(632 194)	(632,194)

	March 31, 2019	December 31, 2018
Additional paid-in-capital	4 035 660	4,031,233
Retained earnings	327,401	223,734
Accumulated other comprehensive loss	(110 579)	(104,967)
Total Tribune Media Company shareholders equity	3 620,390	3,517,908
Noncontrolling interests	5,375	5,189
Total shareholders equity	3,625,765	3,523,097
Total Liabilities and Shareholders' Equity	$ 8 420 134	$ 8 251,391

(1) The Company's consolidated total assets as of March 31 2019 and December 31, 2018 include total assets of variable interest entities (VIEs") of $69 million and $73 million respectively which can only be used to settle the obligations of the VIEs The Company s consolidated total liabilities as of March 31, 2019 and December 31, 2018 include total liabilities of the VIEs of $27 million and $28 million, respectively for which the creditors of the VIEs have no recourse to the Company (see Note 1)

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2019
(In thousands, except for share data)
(Unaudited)

	Total	Retained Earnings	Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Treasury Stock	Non-controlling Interests	Common Stock Class A Amount (at Cost)	Common Stock Class A Shares	Common Stock Class B Amount (at Cost)	Common Stock Class B Shares
Balance at December 31, 2018	$ 3,523,097	$ 223,734	$ (104,967)	$ 4,031,233	$ (632,194)	$ 5,189	$ 102	101,790,837	$ —	5,557
Comprehensive income										
Net income (loss)	113,204	113,208	—	—	—	(4)	—	—	—	—
Other comprehensive loss, net of taxes	(5,612)	—	(5,612)	—	—	—	—	—	—	—
Comprehensive income	107,592									
Regular dividends declared to shareholders and warrant holders, $0.25 per share	(22,061)	(22,349)	—	288	—	—	—	—	—	—
Stock-based compensation	5,418	—	—	5,418	—	—	—	—	—	—
Net share settlements of stock-based awards	(1,279)	—	—	(1,279)	—	—	—	558,474	—	—
Cumulative effect of a change in accounting principle	12,808	12,808	—	—	—	—	—	—	—	—
Contributions from noncontrolling interest	190	—	—	—	—	190	—	—	—	—
Balance at March 31, 2019	$ 3,625,765	$ 327,401	$ (110,579)	$ 4,035,060	$ (632,194)	$ 5,375	$ 102	102,349,311	$ —	5,557

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2018
(In thousands, except for share data)
(Unaudited)

							Common Stock			
							Class A		Class B	
	Total	Retained (Deficit) Earnings	Accumulated Other Comprehensive (Loss) Income	Additional Paid-In Capital	Treasury Stock	Non-controlling Interests	Amount (at Cost)	Shares	Amount (at Cost)	Shares
Balance at December 31, 2017	$ 3,217,180	$ (114,240)	$ (48,061)	$ 4,011,530	$ (632,194)	$ 14	$ 101	101,429,999	$ —	5,557
Comprehensive income										
Net income (loss)	141,183	141,189	—	—	—	(6)	—	—	—	—
Other comprehensive income, net of taxes	8,492	—	8,492	—	—	—	—	—	—	—
Comprehensive income	149,675									
Regular dividends declared to shareholders and warrant holders, $0.25 per share	(21,922)	(22,243)	—	321	—	—	—	—	—	—
Stock-based compensation	5,114	—	—	5,114	—	—	—	—	—	—
Net share settlements of stock-based awards	(4,912)	—	—	(4,913)	—	—	1	283,545	—	—
Balance at March 31, 2018	$ 3,345,135	$ 4,706	$ (39,569)	$ 4,012,052	$ (632,194)	$ 38	$ 102	101,713,544	$ —	5,557

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Operating Activities		
Net income	$ 113,204	$ 141,183
Adjustments to reconcile net income to net cash provided by operating activities		
Stock-based compensation	5,418	5,114
Pension credit	(4,363)	(6,750)
Depreciation	12,952	13,775
Amortization of other intangible assets	35,021	41,687
Income on equity investments, net	(45,685)	(39,137)
Distributions from equity investments	153,082	115,137
Amortization of debt issuance costs and original issue discount	1,832	1,848
Gain on sales of spectrum (Note 8)	—	(133,197)
Gain on investment transactions	(86,272)	(3,888)
Spectrum repack reimbursements	(3,673)	—
Other non-operating loss (gain), net	927	(117)
Changes in working capital items		
Accounts receivable, net	11,868	35,770
Prepaid expenses and other current assets	(6,196)	(10,794)
Accounts payable	3,518	(2,881)
Employee compensation and benefits, accrued expenses and other current liabilities	(52,889)	(40,925)
Deferred revenue	171	1,697
Income taxes	98,181	40,144
Change in broadcast rights, net of liabilities	(19,814)	(18,942)
Deferred income taxes	(60,743)	16,726
Other, net	972	945
Net cash provided by operating activities	157,511	157,395
Investing Activities		
Capital expenditures	(13,378)	(13,673)
Spectrum repack reimbursements	3,673	—

Proceeds from the sales of investments	107,500	3 890
Other, net	(948)	16
Net cash provided by (used in) investing activities	96 847	(9 767)

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Financing Activities		
Payments of dividends	(22,061)	(21,922)
Tax withholdings related to net share settlements of share-based awards	(8,288)	(5 493)
Proceeds from stock option exercises	7,009	581
Contribution from noncontrolling interest	190	—
Net cash used in financing activities	(23 150)	(26,834)
Net Increase in Cash, Cash Equivalents and Restricted Cash	231,208	120,794
Cash, cash equivalents and restricted cash, beginning of period	1,079,648	691,251
Cash, cash equivalents and restricted cash end of period	$ 1,310,856	$ 812,045
Cash, Cash Equivalents and Restricted Cash are Comprised of:		
Cash and cash equivalents	$ 1,294,249	$ 795,438
Restricted cash and cash equivalents	16 607	16,607
Total cash, cash equivalents and restricted cash	$ 1,310,856	$ 812,045
Supplemental Schedule of Cash Flow Information		
Cash paid (received) during the period for		
Interest	$ 57,329	$ 54,866
Income taxes, net	$ (445)	$ (425)

See Notes to Unaudited Condensed Consolidated Financial Statements

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
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NOTE 1: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Presentation—All references to Tribune Media Company or Tribune Company in the accompanying unaudited condensed consolidated financial statements encompass the historical operations of Tribune Media Company and its subsidiaries (collectively, the "Company").

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S GAAP. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31 2018 included in the Company's Annual Report on Form 10-K.

In the opinion of management, the financial statements contain all adjustments necessary to state fairly the financial position of the Company as of March 31, 2019 and the results of operations and cash flows for the three months ended March 31, 2019 and March 31, 2018 All adjustments reflected in the accompanying unaudited condensed consolidated financial statements, which management believes necessary to state fairly the financial position, results of operations and cash flows, have been reflected and are of a normal recurring nature Results of operations for interim periods are not necessarily indicative of the results to be expected for the full year

Nexstar Merger Agreement—On November 30, 2018, the Company entered into an Agreement and Plan of Merger (the "Nexstar Merger Agreement") with Nexstar Media Group, Inc. ("Nexstar") and Titan Merger Sub, Inc. (the "Nexstar Merger Sub") providing for the acquisition by Nexstar of all of the outstanding shares of the Company's Class A common stock ("Class A Common Stock") and Class B common stock ("Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), by means of a merger of Nexstar Merger Sub with and into Tribune Media Company, with the Company surviving the merger as a wholly-owned subsidiary of Nexstar (the "Nexstar Merger")

In the Nexstar Merger, each share of Common Stock issued and outstanding immediately prior to the effective time of the Nexstar Merger (the "Effective Time") (other than shares held by (i) any Tribune subsidiary, Nexstar or any Nexstar subsidiary or (ii) Tribune shareholders who have not voted in favor of adopting the Nexstar Merger Agreement and who have demanded and perfected (and not validly withdrawn or waived) their appraisal rights in compliance with Section 262 of the DGCL) will be converted into the right to receive a cash payment of $46.50 (the "base merger consideration"), plus, if the Nexstar Merger closes after August 31, 2019 (the "Adjustment Date"), an additional amount in cash equal to (a) (i) $0 009863 multiplied by (ii) the number of calendar days elapsed after Adjustment Date to and including the date on which the Nexstar Merger closes, minus (b) the amount of any dividends declared by the Company after the Adjustment Date with a record date prior to the date on which the Nexstar Merger closes, in each case, without interest and less any required withholding taxes (the "additional per share consideration", and together with the base merger consideration, the "Nexstar Merger Consideration"). The additional per share consideration will not be less than zero

Each option to purchase shares of Common Stock outstanding as of immediately prior to the Effective Time, whether or not vested or exercisable, will be cancelled and converted into the right to receive, for each share of Common Stock subject to such stock option, a cash payment equal to the excess, if any, of the value of the Nexstar Merger Consideration over the exercise price per share of such stock option, without any interest and subject to all applicable withholding Any stock option that has an exercise price per share that is greater than or equal to the Nexstar Merger Consideration will be cancelled for no consideration or payment Each award of restricted stock units outstanding as of immediately prior to the Effective Time, whether or not vested, will immediately vest and be cancelled and converted into the right to receive a cash payment equal to the product of

the total number of shares of Common Stock underlying such restricted stock unit multiplied by the Nexstar Merger Consideration, without any interest and subject to all applicable withholding (the "RSU Consideration"), except that each award of restricted stock units granted to an employee on or after December 1, 2018 (other than restricted stock units required to be granted pursuant to employment agreements or offer letters) ("Annual Tribune RSUs") that has vested as of the

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Effective Time of the Nexstar Merger will be cancelled and converted into the right to receive the RSU Consideration and any Annual Tribune RSUs that remain unvested as of the Effective Time of the Nexstar Merger will be cancelled for no consideration or payment Each award of performance stock units outstanding as of immediately prior to the Effective Time, whether or not vested, will immediately vest (with performance conditions for each open performance period as of the closing date deemed achieved at the applicable "target" level performance for such performance stock units) and be cancelled and converted into the right to receive a cash payment equal to the product of the total number of shares of Common Stock underlying such performance stock units multiplied by the Nexstar Merger Consideration, without any interest and subject to all applicable withholding Each outstanding award of deferred stock units outstanding as of immediately prior to the Effective Time will be cancelled and converted into the right to receive a cash payment equal to the product of the total number of shares of Common Stock underlying such deferred stock units multiplied by the Nexstar Merger Consideration, without interest and subject to all applicable withholding Each unexercised warrant to purchase shares of Common Stock outstanding as of immediately prior to the Effective Time will be assumed by Nexstar and converted into a warrant exercisable for the Nexstar Merger Consideration which the shares of Common Stock underlying such warrant would have been entitled to receive upon consummation of the Nexstar Merger and otherwise upon the same terms and conditions of such warrant immediately prior to the Effective Time.

The consummation of the Nexstar Merger is subject to the satisfaction or waiver of certain customary conditions, including, among others: (i) the adoption of the Nexstar Merger by holders of a majority of the Company's outstanding Common Stock, (ii) the receipt of approval from the Federal Communications Commission (the "FCC") (the "FCC Approval") and the expiration or termination of the waiting period applicable to the Nexstar Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") (the "HSR Approval") and (iii) the absence of any order or law of any governmental authority that prohibits or makes illegal the consummation of the Nexstar Merger The Company's and Nexstar's respective obligations to consummate the Nexstar Merger are also subject to certain additional customary conditions, including (i) the accuracy of the representations and warranties of the other party (generally subject to a "material adverse effect" standard), (ii) performance by the other party of its covenants in the Nexstar Merger Agreement in all material respects and (iii) with respect to Nexstar's obligation to consummate the Nexstar Merger, since the date of the Nexstar Merger Agreement, no material adverse effect with respect to the Company having occurred.

The applications for FCC approval (the "Merger Applications") were filed on January 7, 2019. On February 14, 2019, the FCC issued a public notice of filing of the Merger Applications which set deadlines for petitions to deny the applications, oppositions to petitions to deny and replies to oppositions to petitions to deny.

On February 7, 2019, the Company received a request for additional information and documentary material, often referred to as a "second request," from the United States Department of Justice (the "DOJ") in connection with the Nexstar Merger Agreement The second request was issued under the HSR Act Nexstar received a substantively identical request for additional information and documentary material from the DOJ in connection with the transactions contemplated by the Nexstar Merger Agreement Consummation of the transactions contemplated by the Nexstar Merger Agreement is conditioned on expiration of the waiting period applicable under the HSR Act, among other conditions Issuance of the second request extends the waiting period under the HSR Act until 30 days after Nexstar and the Company have substantially complied with the second request, unless the waiting period is terminated earlier by the DOJ or the parties voluntarily extend the time for closing

On March 12, 2019, holders of a majority of the outstanding shares of the Company's Class A Common Stock and Class B Common Stock, voting as a single class, voted on and approved the Nexstar Merger Agreement at a duly called special meeting of Tribune Media Company shareholders

On March 20, 2019, in connection with its divestiture obligations under the Nexstar Merger Agreement, Nexstar entered into definitive asset purchase agreements with TEGNA Inc ("TEGNA") and The E W Scripps Company ("Scripps") to sell a total of 19 stations (including 10 Tribune Media Company-owned stations, as well as 3 stations to

which the Company provides certain services (WTKR-TV, Norfolk, VA, WGNT-TV, Portsmouth, VA and WNEP-TV, Scranton, PA, collectively, the "Dreamcatcher Stations")) in 15 markets to TEGNA and Scripps

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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following the completion of the Nexstar Merger (the "Nexstar Transactions") Additionally, on April 8, 2019, Nexstar entered into a definitive agreement with Circle City Broadcasting I, Inc. ("CCB") to sell 2 Nexstar stations to CCB following the completion of the Nexstar Merger The consummation of each transaction is subject to the satisfaction or waiver of certain customary conditions, including, among others, (i) the closing of the transactions contemplated by the Nexstar Merger Agreement, (ii) the receipt of approval from the FCC and the DOJ and the expiration or termination of any waiting period applicable to such transaction under the HSR Act and (iii) the absence of certain legal impediments to the consummation of such transaction. On April 15, 2019, the Federal Trade Commission issued an early termination notice with respect to the waiting period applicable under the HSR Act in connection with the transaction with Scripps

On April 2, 2019, the Company exercised an option with Dreamcatcher Broadcasting LLC ("Dreamcatcher") to repurchase the Dreamcatcher Stations, to be consummated substantially concurrent with the closing of the Nexstar Merger (the "Dreamcatcher Repurchase"). Following the consummation of the Dreamcatcher Repurchase, the Dreamcatcher Stations are expected to be sold to TEGNA and Scripps in connection with the Nexstar Merger. In the event the Company is unable to consummate the Nexstar Merger, the Company may rescind its option to repurchase the Dreamcatcher stations

Applications seeking FCC consent to station divestitures necessary to obtain the FCC Approval (the "Divestiture Applications") were filed on April 3, 2019, April 8, 2019, April 10, 2019 and April 16, 2019. On April 26, 2019, the FCC issued a public notice of the filing of the Divestiture Applications which set deadlines for petitions to deny the applications, oppositions to petitions to deny and replies to oppositions to petitions to deny.

The Nexstar Merger Agreement may be terminated at any time prior to the Effective Time (i) by mutual written consent of Nexstar and the Company, (ii) by either Nexstar or the Company (a) if the Effective Time has not occurred on or before November 30, 2019, provided that (x) if, on the initial end date, any of the conditions to the consummation of the Nexstar Merger related to the HSR Approval or the FCC Approval have not been satisfied but all other conditions the consummation of the Nexstar Merger have been satisfied or waived or capable of being satisfied, then the end date will be automatically extended to February 29, 2020 and (y) in the event the marketing period for the debt financing for the transaction has commenced but has not completed by the end date, the end date may be extended (or further extended) by Nexstar on one occasion in its sole discretion by providing written notice thereof to the Company at least one business day prior to the end date until the date that is four business days after the last scheduled expiration date of the marketing period (unless the failure of the Effective Time to occur before the end date was primarily due to such party's breach of any of its obligations under the Nexstar Merger Agreement), (b) if any governmental authority of competent jurisdiction has issued an order permanently prohibiting the consummation of the Nexstar Merger and such order has become final and non-appealable (unless such order was primarily attributable to such party's breach of the Nexstar Merger Agreement), and (iii) by either Nexstar or the Company in certain circumstances, as described in the Nexstar Merger Agreement

As further described in Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2018, the Company must pay Nexstar a termination fee of $135 million if the Company or Nexstar terminate the Nexstar Merger Agreement in certain circumstances, except that such termination fee may be reduced by any previously paid amounts relating to the documented, out-of-pocket expenses of Nexstar in an amount not to exceed $15 million.

Change in Accounting Principles—In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No 2016-02, "Leases (Subtopic 842)." The new guidance requires lessees to recognize assets and liabilities arising from leases as well as extensive quantitative and qualitative disclosures. A lessee needs to recognize on its balance sheet a right-of-use asset and a lease liability for the majority of its leases (other than leases with a term of less than 12 months) The lease liabilities should be equal to the present value of minimum lease payments. The right-of-use asset is measured at the lease liability amount, adjusted for lease prepayment, lease

incentives received and the lessee's initial direct costs In January 2018, the FASB issued ASU No. 2018-01, "Leases (Topic 842) - Land Easement Practical Expedient for Transition to Topic 842," which provides an optional transition practical expedient to not evaluate under Topic 842 existing or expired land

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easements that were not previously accounted for as leases under the current leases guidance in Topic 840 In July 2018, the FASB issued ASU No 2018-10, "Codification Improvements to Topic 842, Leases," and ASU No. 2018-11, "Leases (Topic 842), Targeted Improvements," which affect certain aspects of the previously issued guidance including an additional transition method as well as a new practical expedient for lessors. In December 2018, the FASB issued ASU No 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses" and ASU No 2018-20, "Leases (Topic 842), Narrow-Scope Improvements for Lessors," which provide additional guidance for lessor accounting as well as a new practical expedient for lessors. In March 2019, the FASB issued ASU No. 2019-01, "Leases (Topic 842), Codification Improvements," which provides additional guidance on disclosure requirements The Company adopted Topic 842 in the first quarter of 2019 The adoption of Topic 842 did not have a material impact on the Company's unaudited Condensed Consolidated Statements of Operations, unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) and unaudited Condensed Consolidated Statements of Cash Flows Refer to Note 3 for information regarding the impacts of the adoption See the Leases accounting policy below for additional information

In August 2017, the FASB issued ASU No 2017-12, "Derivatives and Hedging (Topic 815)." The standard simplifies the application of the hedge accounting guidance and enables entities to better portray the economic results of their risk management activities in the financial statements The new guidance eliminates the requirement and the ability to separately record ineffectiveness on cash flow and net investment hedges and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item The standard requires certain additional disclosures that focus on the effect of hedge accounting whereas the disclosure of hedge ineffectiveness is eliminated. The amendments expand the types of permissible hedging strategies Additionally, the amendment makes the hedge documentation and effectiveness assessment less complex The amendments in ASU 2017-12 related to cash flow hedge relationships that exist on the date of adoption should be applied using a modified retrospective approach with the cumulative effect of initially applying ASU 2017-12 at the date of initial application. The presentation and disclosure requirements apply prospectively. The Company adopted ASU 2017-12 in the first quarter of 2019 The adoption of this standard did not have a material impact on the Company's consolidated financial statements No other significant accounting policies and estimates have changed from those detailed in Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2018.

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes Actual results could differ from these estimates.

Leases—The Company determines whether an arrangement contains a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current operating lease liabilities and non-current operating lease liabilities in the unaudited Condensed Consolidated Balance Sheets The Company does not currently have any finance lease arrangements.

ROU assets represent the Company's right to use an underlying asset for the lease term The operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of the fixed lease payments over the lease term Unless the rate of interest implicit in the lease arrangement is known, the Company's collateralized incremental borrowing rate for a period commensurate with the lease term at lease commencement is used to calculate the present value of the lease payments When the Company knows the implicit rate of interest in the arrangement, that rate is used The operating lease ROU asset includes any prepaid lease payments, initial direct costs, if applicable, less lease incentives The Company has lease agreements with lease and

non-lease components To the extent the non-lease components require fixed payments, the Company accounts for both the lease and non-lease component as a single lease component in accordance with Topic 842

Leases generally include options to extend or terminate a lease These options are included in the lease term when it is reasonably certain that the Company will exercise the renewal or termination option The Company does not record an operating lease ROU asset or liability for leases with a term of twelve months or less with the related

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lease expense recognized over the term of the lease. Operating lease expense is recognized on a straight-line basis over the lease term

Revenue Recognition—The Company recognizes revenues when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services

The following table represents the Company's revenues disaggregated by revenue source for the Television and Entertainment segment (in thousands)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Advertising	$ 269,889	$ 270,439
Retransmission revenues	132,860	118,142
Carriage fees	41,139	41,662
Other	9,539	10,459
Total operating revenues	$ 453,427	$ 440,702

In addition to the operating revenues included in the Television and Entertainment segment, the Company's consolidated operating revenues include other revenue of $2 million and $3 million for the three months ended March 31, 2019 and March 31, 2018, respectively, in Corporate and Other, which consists of real estate revenues.

Variable Interests—The Company evaluates its investments and other transactions to determine whether any entities associated with the investments or transactions should be consolidated under the provisions of FASB Accounting Standards Codification ("ASC") Topic 810, "Consolidation." The Company consolidates variable interest entities ("VIEs") when it is the primary beneficiary

Topix—At March 31, 2019 and December 31, 2018, the Company indirectly held variable interests in Topix, LLC (through its investment in TKG Holdings II, LLC) ("Topix"). The Company has determined that it is not the primary beneficiary of Topix and therefore has not consolidated it as of and for the periods presented in the unaudited condensed consolidated financial statements. The Company's maximum loss exposure related to Topix is limited to its equity investment, which was $5 million at both March 31, 2019 and December 31, 2018.

Dreamcatcher—Dreamcatcher was formed in 2013 specifically to comply with the cross-ownership rules of the FCC related to the Company's acquisition of Local TV, LLC on December 27, 2013 (the "Local TV Acquisition") See Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2018 for additional information. The Company's unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2019 and March 31, 2018 include the results of operations and the financial position of Dreamcatcher, a fully-consolidated VIE Net revenues of the Dreamcatcher Stations included in the Company's unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2019 and March 31, 2018, were $19 million and $18 million, respectively. Operating profits of the

Dreamcatcher stations included in the Company's unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2019 and March 31, 2018 were $4 million and $3 million, respectively

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The Company's unaudited Condensed Consolidated Balance Sheets as of March 31, 2019 and December 31, 2018 include the following assets and liabilities of the Dreamcatcher stations (in thousands):

	March 31, 2019	December 31, 2018
Broadcast rights	1,671	2,355
Other intangible assets, net	58,754	61,386
Other assets	8,515	8,770
Total Assets	$ 68,940	$ 72,511
Contracts payable for broadcast rights	1,528	2,186
Long-term deferred revenue	23,948	24,164
Other liabilities	1,248	1,291
Total Liabilities	$ 26,724	$ 27,641

New Accounting Standards—In April 2019, the FASB issued ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments," which provided certain improvements to ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities," ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments" and ASU 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities." As the Company has adopted ASU 2016-01 and ASU 2017-12, the improvements in ASU 2019-04 are effective for fiscal years beginning after December 15, 2019, and the interim periods within those fiscal years Early adoption is permitted The Company expects to adopt ASU 2016-13 in the first quarter of 2020, as described below, and the improvements in ASU 2019-04 will be adopted concurrently. The Company is currently evaluating the impact of adopting ASU 2019-04 on its consolidated financial statements

In March 2019, the FASB issued ASU 2019-02, "Entertainment-Films-Other Assets-Film Costs (Subtopic 926-20) and Entertainment-Broadcasters-Intangibles-Goodwill and Other (Subtopic 920-350)." The standard requires production costs of episodic television series to be capitalized as incurred, which aligns the guidance with the accounting for production costs of films. In addition, once ASU 2019-02 is effective, capitalized costs associated with films and license agreements will be tested for impairment based on the lower of unamortized cost or fair value, as opposed to the existing guidance where the impairment test is based on estimated net realizable value The guidance also includes additional disclosure requirements The standard is effective for fiscal years beginning after December 15, 2019, and the interim periods within those fiscal years Early adoption is permitted. The amendments in ASU 2019-02 should be applied prospectively. The Company is currently evaluating the impact of adopting ASU 2019-02 on its consolidated financial statements.

In August 2018, the FASB issued ASU No 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)." The standard requires a customer in a hosting arrangement that is a service contract to follow the internal-use software guidance to determine which implementation costs to capitalize as an asset related to the service contract The standard also requires a customer to expense the capitalized implementation costs over the term of the hosting arrangement and specifies presentation requirements for both the capitalized costs and the amortized expenses. The standard is effective for fiscal years beginning after December 15, 2019, and the interim periods within those fiscal years. Early adoption is permitted The amendments in ASU 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company is currently evaluating the impact of adopting ASU 2018-15 on its consolidated financial statements

In August 2018, the FASB issued ASU No. 2018-14, "Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)." The standard modifies certain disclosure requirements for employers that sponsor defined benefit pension and other postretirement benefit plans by removing disclosures that are no longer

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considered cost beneficial, clarifying specific requirements of disclosures, and adding disclosure requirements identified as relevant. The standard is effective for fiscal years ending after December 15, 2020. Early adoption is permitted The amendments in ASU 2018-14 should be applied retrospectively to each period presented The Company is currently evaluating the impact of adopting ASU 2018-14 on its consolidated financial statements.

In June 2016, the FASB issued ASU No 2016-13, "Financial Instruments - Credit Losses (Topic 326)" The standard requires entities to estimate losses on financial assets measured at amortized cost, including trade receivables, debt securities and loans, using an expected credit loss model. The expected credit loss differs from the previous incurred losses model primarily in that the loss recognition threshold of "probable" has been eliminated and that expected loss should consider reasonable and supportable forecasts in addition to the previously considered past events and current conditions. Additionally, the guidance requires additional disclosures related to the further disaggregation of information related to the credit quality of financial assets by year of the asset's origination for as many as five years Entities must apply the standard provision as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The standard is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years Early adoption is permitted for annual periods beginning after December 15, 2018, and interim periods within those fiscal years. The Company is currently evaluating the impact of adopting ASU 2016-13 on its consolidated financial statements

NOTE 2: ASSETS HELD FOR SALE

Assets Held for Sale—Assets held for sale in the Company's unaudited Condensed Consolidated Balance Sheets consisted of the following (in thousands):

	March 31, 2019		December 31, 2018	
Real estate (1)	$	60,177	$	—

(1) As of March 31 2019, the Company had one real estate property held for sale

NOTE 3: LEASES

In the first quarter of 2019, the Company adopted Topic 842 utilizing the optional transition method provided in ASU No 2018-11, which allows for a prospective adoption with a cumulative-effect adjustment to the opening balance sheet as of the adoption date without restatement of prior years. The Company elected the package of practical expedients as permitted by the transition guidance allowing the Company to carry forward the historical assessment of whether contracts contain or are leases, classification of leases and the remaining lease terms.

Upon adoption, the Company recognized a right-of-use asset of $158 million and a right-of-use liability of $174 million. The Company's deferred rent balance of $18 million as of December 31, 2018 was reclassified to the right-of-use asset upon adoption The Company also recognized a cumulative-effect adjustment to retained earnings of approximately $13 million, net of tax, which represents deferred gains previously recorded on the consolidated balance sheet related to historical sale lease-back transactions

The Company has operating leases primarily for office buildings, studios, and transmission sites/equipment Depending on the type of lease, the original lease terms generally range from less than 12 months to 40 years The remaining terms of the Company's leases range from 3 months to 15 years. Certain leases, however, are subject to automatic and continuous renewals The weighted-average remaining lease term of the Company's operating leases is 7.9 years. The weighted average discount rate is 6.65% Total operating lease costs for the three months ended March 31, 2019 were $9 million.

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Supplemental unaudited Condensed Consolidated Statements of Cash Flows information related to leases was as follows (in thousands).

		Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	8,827

As of March 31, 2019, maturities of operating lease liabilities were as follows (in thousands):

2019 (excluding the three months ended March 31, 2019)	$	25,761
2020		32,704
2021		25,271
2022		24,851
2023		23,698
Thereafter		88,850
Total lease payments		221,135
Less imputed interest		53,107
Total operating lease liabilities	$	168,028

As of December 31, 2018, the Company's future minimum lease payments under non-cancelable operating leases, as disclosed in Note 10 to the Company's audited consolidated financial statements for the year ended December 31, 2018, were as follows (in thousands)

2019	$	33,042
2020		31,035
2021		22,496
2022		22,004
2023		20,798
Thereafter		91,961
Total lease payments	$	221,336

As of March 31, 2019, the Company has executed non-cancelable operating leases primarily related to a studio and transmission sites/equipment that have not yet commenced. The estimated future minimum lease commitments for these leases are $12 million These leases are expected to commence in 2019 and have terms ranging from 11 to 15 years. These leases have not been included in the tables above.

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NOTE 4: GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following (in thousands)

	March 31, 2019			December 31, 2018		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Other intangible assets subject to amortization						
Affiliate relationships (useful life of 16 years)	$ 212,000	$ (82,813)	$ 129,187	$ 212,000	$ (79,500)	$ 132,500
Advertiser relationships (useful life of 8 years)	168,000	(131,250)	36,750	168,000	(126,000)	42,000
Network affiliation agreements (useful life of 11 to 16 years)	228,700	(87,401)	141,299	228,700	(83,649)	145,051
Retransmission consent agreements (useful life of 7 to 12 years)	830,100	(489,582)	340,518	830,100	(467,073)	363,027
Other (useful life of 5 to 15 years)	8,793	(2,988)	5,805	16,015	(8,137)	7,878
Total	$ 1,447,593	$ (794,034)	653,559	$ 1,454,815	$ (764,359)	690,456
Other intangible assets not subject to amortization						
FCC licenses			737,200			737,200
Trade name			14,800			14,800
Total other intangible assets, net			1,405,559			1,442,456
Goodwill			3,228,436			3,228,601
Total goodwill and other intangible assets			$ 4,633,995			$ 4,671,057

The changes in the carrying amounts of intangible assets, which are in the Company's Television and Entertainment segment, during the three months ended March 31, 2019 were as follows (in thousands)

Other intangible assets subject to amortization	
Balance as of December 31, 2018	$ 690,456
Amortization	(35,021)
Balance sheet reclassifications (1)	(1,762)
Foreign currency translation adjustment	(114)

Balance as of March 31, 2019	$ 653,559
Other intangible assets not subject to amortization	
Balance as of March 31, 2019 and December 31, 2018	$ 752,000
Goodwill	
Gross balance as of December 31, 2018	$ 3,609,601
Accumulated impairment losses at December 31, 2018	(381,000)
Balance as of December 31, 2018	3,228,601
Foreign currency translation adjustment	(165)
Balance as of March 31, 2019	$ 3,228,436
Total goodwill and other intangible assets as of March 31, 2019	$ 4,633,995

(1) Balance sheet reclassifications include $2 million of lease contract intangible assets that were reclassified to operating lease right-of-use assets in the Company's unaudited Condensed Consolidated Balance Sheets on January 1, 2019 upon implementation of ASU No. 2016-02. See Note 3 for additional information.

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Amortization expense relating to amortizable intangible assets is expected to be approximately $105 million for the remainder of 2019, $134 million in 2020, $103 million in 2021, $84 million in 2022, $57 million in 2023 and $51 million in 2024.

NOTE 5: INVESTMENTS

Investments consisted of the following (in thousands):

	March 31, 2019		December 31, 2018	
Equity method investments	$	1,131,050	$	1,238,457
Other equity investments		5,503		25,980
Total investments	$	1,136,553	$	1,264,437

Equity Method Investments—Income on equity investments, net reported in the Company's unaudited Condensed Consolidated Statements of Operations consisted of the following (in thousands):

	Three Months Ended			
	March 31, 2019		March 31, 2018	
Income on equity investments, net, before amortization of basis difference	$	58,154	$	51,606
Amortization of basis difference		(12,469)		(12,469)
Income on equity investments, net	$	45,685	$	39,137

As discussed in Note 6 to the Company's audited consolidated financial statements for the year ended December 31, 2018, the carrying value of the Company's investments was increased by $1.615 billion to an aggregate fair value of $2.224 billion as a result of fresh start reporting adopted on the Effective Date (as defined in Note 8). Of the $1.615 billion increase, $1.108 billion was attributable to the Company's share of theoretical increases in the carrying values of the investees' amortizable intangible assets had the fair value of the investments been allocated to the identifiable intangible assets of the investees' in accordance with ASC Topic 805 "Business Combinations." The remaining $507 million of the increase was attributable to goodwill and other identifiable intangibles not subject to amortization, including trade names. The Company amortizes the differences between the fair values and the investees' carrying values of the identifiable intangible assets subject to amortization and records the amortization (the "amortization of basis difference") as a reduction of income on equity investments, net in its unaudited Condensed Consolidated Statements of Operations. The remaining identifiable net intangible assets subject to amortization of basis difference as of March 31, 2019 totaled $623 million and have a weighted average remaining useful life of approximately 14 years.

Cash distributions from the Company's equity method investments were as follows (in thousands).

	Three Months Ended			
	March 31, 2019		March 31, 2018	
Cash distributions from equity investments	$	153,082	$	115,137

TV Food Network—The Company's 31% investment in Television Food Network, G.P. ("TV Food Network") totaled $1.121 billion and $1.228 billion at March 31, 2019 and December 31, 2018, respectively. The Company recognized equity income from TV Food Network of $46 million and $39 million for the three months ended March 31, 2019 and March 31, 2018, respectively. The Company received cash distributions from TV Food Network of $153 million and $115 million in the three months ended March 31, 2019 and March 31, 2018, respectively.

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Summarized financial information for TV Food Network is as follows (in thousands):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenues, net	$ 319,715	$ 307,945
Operating income	$ 178,032	$ 162,756
Net income	$ 187,450	$ 165,589

CareerBuilder—On September 13, 2018, the Company sold its 6% investment (on a fully diluted basis, including CareerBuilder, LLC ("CareerBuilder") employees' equity awards) (through its investment in Camaro Parent, LLC) in CareerBuilder and received pretax proceeds of $11 million. The Company recognized a pretax loss of $5 million on the sale of its ownership interest in CareerBuilder in the third quarter of 2018. Pursuant to ASC Topic 323 "Investments - Equity Method and Joint Ventures," the Company accounted for CareerBuilder as an equity method investment. The Company recognized an equity loss from CareerBuilder of $0.3 million for the three months ended March 31, 2018. In 2018, through the date of the sale, the Company recognized equity income from CareerBuilder of $10 million and received cash distributions of $6 million, of which $5 million related to a distribution of proceeds from CareerBuilder's sale of one of its business operations on May 14, 2018.

Other Equity Investments—Other equity investments are investments without readily determinable fair values.

Chicago Cubs Transactions—As defined and further described in Note 6 to the Company's audited consolidated financial statements for the year ended December 31, 2018, the Company consummated the closing of the Chicago Cubs Transactions on October 27, 2009. Concurrent with the closing of the transactions, the Company executed guarantees of collection of certain debt facilities entered into by Chicago Entertainment Ventures, LLC (formerly Chicago Baseball Holdings, LLC) ("CEV LLC"), and its subsidiaries (collectively, "New Cubs LLC"). As of December 31, 2018, the guarantees were capped at $249 million plus unpaid interest.

On August 21, 2018, Northside Entertainment Holdings LLC (f/k/a Ricketts Acquisition LLC) ("NEH") provided a written notice (the "Call Notice") to the Company that NEH was exercising its right pursuant to the Amended and Restated Limited Liability Company Agreement (the "CEV LLC Agreement") of CEV LLC to purchase the Company's 5% membership interest in CEV LLC. The Company sold its 5% ownership interest in CEV LLC on January 22, 2019 for pretax proceeds of $107.5 million and recognized a gain of $86 million before taxes ($66 million after taxes) in the first quarter of 2019. As a result of the sale, the previously recorded deferred tax liability of $69 million became currently payable in 2019. Concurrently with the sale, the Company ceased being a guarantor of all debt facilities held by New Cubs LLC.

Other—All of the Company's other equity investments are in private companies. During the first quarter of 2018, the Company sold one of its other equity investments for $4 million and recognized a pretax gain of $4 million.

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NOTE 6: DEBT

Debt consisted of the following (in thousands):

	March 31, 2019		December 31, 2018	
Term Loan Facility				
Term B Loans due 2020, effective interest rate of 3.84%, net of unamortized discount and debt issuance costs of $1,111 and $1,268	$	188,514	$	188,357
Term C Loans due 2024, effective interest rate of 3.85%, net of unamortized discount and debt issuance costs of $17,441 and $18,305		1,648,451		1,647,587
5.875% Senior Notes due 2022, net of debt issuance costs of $9,174 and $9,861		1,090,826		1,090,139
Total debt	$	2,927,791	$	2,926,083

Secured Credit Facility—At both March 31, 2019 and December 31, 2018, the Company's secured credit facility (the "Secured Credit Facility") consisted of a term loan facility (the "Term Loan Facility"), under which $1.666 billion of term C loans (the "Term C Loans") and $190 million of term B loans (the "Term B Loans") were outstanding. At both March 31, 2019 and December 31, 2018, there were no borrowings outstanding under the Company's $338 million revolving credit facility (the "Revolving Credit Facility"), however, there were standby letters of credit outstanding of $20 million, primarily in support of the Company's workers' compensation insurance programs. See Note 7 to the Company's audited consolidated financial statements for the year ended December 31, 2018 for further information and significant terms and conditions associated with the Term Loan Facility and the Revolving Credit Facility, including but not limited to interest rates, repayment terms, fees, restrictions and affirmative and negative covenants. The Company's unamortized transaction costs and unamortized discount related to the Term Loan Facility were $19 million and $20 million at March 31, 2019 and December 31, 2018, respectively. These deferred costs are recorded as a direct deduction from the carrying amount of an associated debt liability in the Company's unaudited Condensed Consolidated Balance Sheets and amortized to interest expense over the contractual term of either the Term B Loans or the Term C Loans, as appropriate.

5.875% Senior Notes due 2022—The Company's 5.875% Senior Notes due 2022 (the "Notes") bear interest at a rate of 5.875% per annum and interest is payable semi-annually in arrears on January 15 and July 15. The Notes mature on July 15, 2022. As of March 31, 2019, $1.100 billion of Notes remained outstanding.

See Note 7 to the audited consolidated financial statements for the year ended December 31, 2018 for further information and significant terms and conditions associated with the Notes, including but not limited to repayment terms, fees, restrictions and affirmative and negative covenants. The Company's unamortized transaction costs related to the Notes were $9 million and $10 million at March 31, 2019 and December 31, 2018, respectively.

NOTE 7: FAIR VALUE MEASUREMENTS

The Company measures and records in its consolidated financial statements certain assets and liabilities at fair value. ASC Topic 820 "Fair Value Measurement and Disclosures," establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). This hierarchy consists of the following three levels:

- Level 1 – Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 – Assets and liabilities whose values are based on inputs other than those included in Level 1, including quoted market prices in markets that are not active, quoted prices of assets or liabilities with

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similar attributes in active markets, or valuation models whose inputs are observable or unobservable but corroborated by market data

- Level 3 – Assets and liabilities whose values are based on valuation models or pricing techniques that utilize unobservable inputs that are significant to the overall fair value measurement.

The Company's earnings and cash flows are subject to fluctuations due to changes in interest rates The Company's risk management policy allows for the use of derivative financial instruments to manage interest rate exposures and does not permit derivatives to be used for speculative purposes. On January 27, 2017, the Company entered into interest rate swaps with certain financial institutions for a total notional value of $500 million with a duration that matches the maturity of the Company's Term C Loans The interest rate swaps are designated as cash flow hedges and are considered highly effective The monthly net interest settlements under the interest rate swaps are reclassified out of AOCI and recognized in interest expense consistent with the recognition of interest expense on the Company's Term C Loans Realized gains of $0.3 million and realized losses of $1 million were recognized in interest expense for the three months ended March 31, 2019 and March 31, 2018, respectively Interest expense was $44 million and $41 million for the three months ended March 31, 2019 and March 31, 2018, respectively As of March 31, 2019, the fair value of the interest rate swaps was $1 million, which is recorded in current liabilities with the unrealized loss recognized in other comprehensive income (loss). As of March 31, 2019, the Company expects $1 million to be reclassified out of AOCI as a reduction of interest expense over the next twelve months. The interest rate swap fair value is considered Level 2 within the fair value hierarchy as it includes quoted prices for similar instruments as well as interest rates and yield curves that are observable in the market.

Certain assets are measured at fair value on a nonrecurring basis, that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment)

The carrying values of cash and cash equivalents, restricted cash and cash equivalents trade accounts receivable and trade accounts payable approximate fair value due to their short term to maturity. Certain of the Company's cash equivalents are held in money market funds which are valued using net asset value ("NAV") per share, which would be considered Level 1 in the fair value hierarchy.

Estimated fair values and carrying amounts of the Company's financial instruments that are not measured at fair value on a recurring basis were as follows (in thousands).

	March 31, 2019		December 31, 2018	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Term Loan Facility				
Term B Loans due 2020	$ 189,270	$ 188,514	$ 187,965	$ 188,357
Term C Loans due 2024	$ 1,662,561	$ 1,648,451	$ 1,631,742	$ 1,647,587
5.875% Senior Notes due 2022	$ 1,123,716	$ 1,090,826	$ 1,111,000	$ 1,090,139

Each category of financial instruments are classified in the following level of the fair value hierarchy.

Term Loan Facility—The fair value of the outstanding principal balance of the term loans under the Company's Term Loan Facility at both March 31, 2019 and December 31, 2018 are classified in Level 2 of the fair value hierarchy.

5.875% Senior Notes due 2022—The fair value of the outstanding principal balance of the Company's 5 875% Senior Notes due 2022 at March 31, 2019 and December 31, 2018 are classified in Level 2 of the fair value hierarchy

Investments Without Readily Determinable Fair Values—Non-equity method investments in private companies are recorded at cost, less impairments, if any, plus or minus changes resulting from observable price

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changes in orderly transactions for the identical or a similar investment, as further described in Note 5. During the three months ended March 31, 2019 there were no events or changes in circumstance that suggested an impairment or an observable price change to any of these investments resulting from an orderly transaction for the identical or a similar investment. The non-equity method investments are classified in Level 3 of the fair value hierarchy

NOTE 8: COMMITMENTS AND CONTINGENCIES

Chapter 11 Reorganization— On December 8, 2008 (the "Petition Date"), Tribune Company and 110 of its direct and indirect wholly-owned subsidiaries (collectively, the "Debtors" or "Predecessor") filed voluntary petitions for relief (collectively, the "Chapter 11 Petitions") under chapter 11 ("Chapter 11") of title 11 of the United States Code (the "Bankruptcy Code") in the U.S Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Fourth Amended Joint Plan of Reorganization for Tribune Company and its Subsidiaries (as subsequently modified, the "Plan") became effective and the Debtors emerged from Chapter 11 on December 31, 2012 (the "Effective Date"). The Bankruptcy Court has entered final decrees that have collectively closed 106 of the Debtors' Chapter 11 cases. The remaining Debtors' Chapter 11 proceedings continue to be jointly administered under the caption *In re Tribune Media Company, et al*, Case No 08-13141

Confirmation Order Appeals—Notices of appeal of the Bankruptcy Court's order confirming the Plan (the "Confirmation Order") were filed by (i) Aurelius Capital Management, LP, on behalf of its managed entities that were holders of the Predecessor's senior notes and Exchangeable Subordinated Debentures due 2029 ("PHONES"), (ii) Law Debenture Trust Company of New York (n/k/a Delaware Trust Company) ("Delaware Trust Company") and Deutsche Bank Trust Company Americas ("Deutsche Bank"), each successor trustees under the respective indentures for the Predecessor's senior notes; (iii) Wilmington Trust Company, as successor indenture trustee for the PHONES, and (iv) EGI-TRB, L.L C., a Delaware limited liability company wholly-owned by Sam Investment Trust (a trust established for the benefit of Samuel Zell and his family) (the "Zell Entity"). The appellants sought, among other relief, to overturn the Confirmation Order and certain prior orders of the Bankruptcy Court embodied in the Plan, including the settlement of certain claims and causes of action related to the series of transactions (collectively, the "Leveraged ESOP Transactions") consummated by the Predecessor, the Tribune Company employee stock ownership plan, the Zell Entity and Samuel Zell in 2007 As of March 31, 2019, each of the Confirmation Order appeals have been dismissed or otherwise resolved by a final order, with the exception of the appeals of Delaware Trust Company and Deutsche Bank On July 30, 2018, the United States District Court for the District of Delaware (the "District Court") entered an order affirming (i) the Bankruptcy Court's judgment overruling Delaware Trust Company's and Deutsche Bank s objections to confirmation of the Plan and (ii) the Bankruptcy Court's order confirming the Plan Delaware Trust Company and Deutsche Bank appealed the District Court's order to the United States Court of Appeals for the Third Circuit (the "Third Circuit") on August 27, 2018 That appeal remains pending before the Third Circuit. If the remaining appellants succeed on their appeals, the Company's financial condition may be adversely affected

Resolution of Outstanding Prepetition Claims—As of the Effective Date, approximately 7,400 proofs of claim had been filed against the Debtors. Amounts and payment terms for these claims, if applicable, were established in the Plan The Plan requires the Company to reserve cash in amounts sufficient to make certain additional payments that may become due and owing pursuant to the Plan subsequent to the Effective Date As of March 31, 2019, restricted cash held by the Company to satisfy the remaining claim obligations was $17 million and is estimated to be sufficient to satisfy such obligations.

As of March 31, 2019, all but 403 proofs of claim against the Debtors had been withdrawn, expunged, settled or otherwise satisfied The majority of the remaining proofs of claim were filed by certain of the Company's former directors and officers, asserting indemnity and other related claims against the Company for claims brought against them in lawsuits arising from the Leveraged ESOP Transactions. Those lawsuits are pending in multidistrict litigation ("MDL") before the U S. District Court for the Southern District of New York (the "NY District Court") in proceedings captioned *In re Tribune Co Fraudulent Conveyance Litigation*. Under the Plan, the indemnity claims of the Company's former directors and officers must be set off against any recovery by the litigation trust formed pursuant to the Plan (the "Litigation Trust") against any of those directors and officers, and the Litigation Trust is authorized to object to the allowance of any such indemnity-type claims

The ultimate amounts to be paid in resolutions of the remaining proofs of claim, including indemnity claims, will continue to be subject to uncertainty for a period of time after the Effective Date If the aggregate allowed amount of the remaining claims exceeds the restricted cash held for satisfying such claims, the Company would be required to satisfy the allowed claims from its cash on hand from operations

Reorganization Items, Net—ASC Topic 852, "Reorganizations," requires that the financial statements for periods subsequent to the filing of the Chapter 11 Petitions distinguish transactions and events that are directly associated with the reorganization from the operations of the business Reorganization items, net included in the Company's unaudited Condensed Consolidated Statements of Operations primarily include professional advisory fees and other costs related to the resolution of unresolved claims and totaled $1 million for each of the three months ended March 31, 2019 and March 31, 2018, respectively The Company expects to continue to incur certain expenses pertaining to the Chapter 11 proceedings throughout 2019 and potentially in future periods.

FCC Regulation—Various aspects of the Company's operations are subject to regulation by governmental authorities in the United States The Company's television and radio broadcasting operations are subject to FCC jurisdiction under the Communications Act of 1934, as amended. FCC rules, among other things, govern the term, renewal and transfer of radio and television broadcasting licenses, and limit the number of media interests in a local market that a single entity can own. Federal law also regulates the rates charged for political advertising and the quantity of advertising within children's programs. As of May 10, 2019, the Company had FCC authorization to operate 39 television stations and one AM radio station.

The Company is subject to the FCC's "Local Television Multiple Ownership Rule" and the "National Television Multiple Ownership Rule," among others, as further described in Note 10 to the Company's audited consolidated financial statements for the year ended December 31, 2018

In general and subject to certain conditions, under the "Local Television Multiple Ownership Rule" (the "Duopoly Rule") a company may hold attributable interests in up to two television stations in a single Nielsen Media Research Designated Market Area ("DMA") In applying the Duopoly rule, the FCC applies a presumption against allowing combinations of two top-four ranked stations in a market, subject to a case-by-case waiver review process. This approach, adopted in the 2014 Quadrennial Review Reconsideration Order, is subject to a pending petition for judicial review by the Third Circuit. On December 13, 2018, the FCC issued a Notice of Proposed Rulemaking initiating the 2018 Quadrennial Review (the "2018 Quadrennial Review"), which, among other things, seeks comment on all aspects of the Duopoly Rule's application and implementation, including whether the rule itself remains necessary to serve the public interest in the current television marketplace, and, if retained, whether the top-four prohibition should be retained, and if so, whether the FCC should adopt a waiver process or bright-line test to determine where waivers of the top-4 prohibition may be warranted. The Company cannot predict the outcome of these proceedings, or their effect on its business

The "National Television Multiple Ownership Rule" prohibits the Company from owning television stations that, in the aggregate, reach more than 39% of total U.S. television households, subject to a 50% discount of the number of television households attributable to UHF stations (the "UHF Discount") In a Report and Order issued on September 7,

2016 (the "UHF Discount Repeal Order"), the FCC repealed the UHF Discount but grandfathered existing station combinations (including the Company's) that exceeded the 39% national reach cap as a result of the elimination of the UHF Discount, subject to compliance in the event of a future change of control or assignment of license. The FCC reinstated the UHF Discount in an Order on Reconsideration adopted on April 20, 2017 (the "UHF Discount Reconsideration Order") A petition for judicial review of the UHF Discount Reconsideration Order by the U S Court of Appeals for the District of Columbia Circuit was dismissed on jurisdictional grounds on July 25, 2018 A petition for review of the UHF Discount Repeal Order by the U S Court of Appeals for the District of Columbia Circuit was dismissed as moot on December 19, 2018. On December 18, 2017, the FCC released a Notice of Proposed Rulemaking seeking comment generally, on the continuing propriety of a national cap and the

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Commission's jurisdiction with respect to the cap. The Company cannot predict the outcome of these proceedings, or their effect on its business.

Federal legislation enacted in February 2012 authorized the FCC to conduct a voluntary "incentive auction" in order to reallocate certain spectrum currently occupied by television broadcast stations to mobile wireless broadband services, to "repack" television stations into a smaller portion of the existing television spectrum band and to require television stations that do not participate in the auction to modify their transmission facilities, subject to reimbursement for reasonable relocation costs up to an industry-wide total of $1.750 billion, which amount was increased by $1 billion pursuant to the adoption of an amended version of the Repack Airwaves Yielding Better Access for Users of Modem Services (RAY BAUM'S) Act of 2018 by the U S Congress on March 23, 2018. On April 13, 2017, the FCC announced the conclusion of the incentive auction, the results of the reverse and forward auction and the repacking of the broadcast television spectrum. The Company participated in the auction and has received approximately $191 million in pretax proceeds (including $26 million of proceeds received by a Dreamcatcher station) as of December 31, 2017 The Company received gross pretax proceeds of $172 million from licenses sold by the Company in the FCC spectrum auction in 2017 and recognized a net pretax gain of $133 million in the first quarter of 2018 related to the surrender of the spectrum of these television stations in January 2018

Twenty-two of the Company's television stations (including WTTK, which operates as a satellite station of WTTV) are required to change frequencies or otherwise modify their operations as a result of the repacking. In doing so, the stations could incur substantial conversion costs, reduction or loss of over-the-air signal coverage or an inability to provide high definition programming and additional program streams.

Through March 31, 2019, the Company incurred $32 million in capital expenditures for the spectrum repack, of which $5 million and $24 million was incurred in 2019 and 2018, respectively. The Company expects that the reimbursements from the FCC's special fund will cover the majority of the Company's costs and expenses related to the repacking However, the Company cannot currently predict the effect of the repacking, whether the special fund will be sufficient to reimburse all of the Company's costs and expenses related to the repacking, the timing of reimbursements or any spectrum-related FCC regulatory action

Through March 31, 2019, the Company has received FCC reimbursements of $15 million, of which $4 million was received during the three months ended March 31, 2019. The reimbursements are included as a reduction to selling, general and administrative expense ("SG&A") and are presented as an investing inflow in the Company's unaudited Condensed Consolidated Statements of Cash Flows.

As described in Note 1 to the Company's audited consolidated financial statements for the year ended December 31, 2018, the Company completed the Local TV Acquisition on December 27, 2013 pursuant to FCC staff approval granted on December 20, 2013 in the Local TV Transfer Order On January 22, 2014, Free Press filed an Application for Review seeking review by the full Commission of the Local TV Transfer Order The Company filed an Opposition to the Application for Review on February 21, 2014 Free Press filed a reply on March 6, 2014 The matter is pending.

From time to time, the FCC revises existing regulations and policies in ways that could affect the Company's broadcasting operations. In addition, Congress from time to time considers and adopts substantive amendments to the governing communications legislation. The Company cannot predict such actions or their resulting effect upon the Company's business and financial position.

Termination of Sinclair Merger Agreement—On August 9, 2018, the Company provided notification to Sinclair Broadcast Group, Inc ("Sinclair") that the Company terminated, effective immediately, the Agreement and Plan of Merger, dated May 8, 2017, with Sinclair (the "Sinclair Merger Agreement"), which provided for the acquisition by

Sinclair of all of the outstanding shares of the Company's common stock (the "Sinclair Merger") Additionally, on August 9, 2018, the Company filed a complaint in the Delaware Court of Chancery against Sinclair (the "Sinclair Complaint"), alleging that Sinclair willfully and materially breached its obligations under the Sinclair Merger Agreement. The lawsuit seeks damages for all losses incurred as a result of Sinclair's breach of contract under the Sinclair Merger Agreement On August 29, 2018, Sinclair filed an answer to the Company's Sinclair

Complaint and a counterclaim (the "Sinclair Counterclaim") On September 18, 2018, the Company filed an answer to the Sinclair Counterclaim. The Company believes the Sinclair Counterclaim is without merit and intends to defend it vigorously. In connection with the termination of the Sinclair Merger Agreement, on August 9, 2018, the Company provided notification to Fox Television Stations, LLC ("Fox") that it terminated the asset purchase agreement, by and between Sinclair, Fox and the Company, dated May 8, 2018 (the "Fox Purchase Agreement") to sell the assets of certain network affiliates of the Company, effective immediately Under the terms of the Fox Purchase Agreement, no termination fees were payable by any party

Other Contingencies—The Company and its subsidiaries are defendants from time to time in actions for matters arising out of their business operations. In addition, the Company and its subsidiaries are involved from time to time as parties in various regulatory, environmental and other proceedings with governmental authorities and administrative agencies. See Note 9 for a discussion of potential income tax liabilities.

The Company does not believe that any matters or proceedings presently pending will have a material adverse effect, individually or in the aggregate, on its consolidated financial position, results of operations or liquidity.

NOTE 9: INCOME TAXES

In the three months ended March 31, 2019, the Company recorded income tax expense of $38 million The effective tax rate on pretax income was 25.0% The rate differs from the U S federal statutory rate of 21% due to state income taxes (net of federal benefit), non-deductible executive compensation, certain transaction costs and other expenses not fully deductible for tax purposes, a $2 million benefit related to stock-based compensation, a $3 million benefit resulting from a change in the Company's state tax rates, and a $2 million charge related to the resolution of federal and state income tax matters and other adjustments.

In the three months ended March 31, 2018, the Company recorded an income tax expense of $57 million The effective tax rate on pretax income was 28 7%. The rate differs from the U S. federal statutory rate of 21% due to state income taxes (net of federal benefit), non-deductible executive compensation, certain transaction costs and other expenses not fully deductible for tax purposes, and a net $2 million charge related to the write-off of unrealized deferred tax assets related to stock-based compensation.

Chicago Cubs Transactions—As further described in Note 6 to the Company's audited consolidated financial statements for the year ended December 31, 2018, the Company consummated the closing of the Chicago Cubs Transactions on October 27, 2009 As a result of these transactions, NEH owned 95% and the Company owned 5% of the membership interests in CEV LLC The fair market value of the contributed assets exceeded the tax basis and did not result in an immediate taxable gain because the transaction was structured to comply with the partnership provisions of the Internal Revenue Code ("IRC") and related regulations. On June 28, 2016, the IRS issued the Company a Notice of Deficiency ("Notice") which presents the IRS's position that the gain should have been included in the Company's 2009 taxable income Accordingly, the IRS has proposed a $182 million tax and a $73 million gross valuation misstatement penalty In addition, after-tax interest on the aforementioned proposed tax and penalty through March 31, 2019 would be approximately $86 million The Company continues to disagree with the IRS's position that the transaction generated a taxable gain in 2009, the proposed penalty and the IRS's calculation of the gain. During the third quarter of 2016, the Company filed a petition in U.S. Tax Court to contest the IRS's determination. The Company continues to pursue resolution of this disputed tax matter with the IRS If the IRS prevails in their position, the gain on the Chicago Cubs Transactions would be deemed to be taxable in 2009 The

Company estimates that the federal and state income taxes would be approximately $225 million before interest and penalties Any tax, interest and penalty due will be offset by tax payments made relating to this transaction subsequent to 2009. As further described in Note 5, on August 21, 2018, NEH provided the Call Notice to the Company that NEH was exercising its right to purchase the Company's 5% membership interest in CEV LLC. The Company sold its 5% ownership interest in CEV LLC on January 22, 2019 (the "2019 Cubs Sale") for pretax proceeds of $107.5 million and recognized a gain of $86 million before taxes ($66 million after taxes) in the first quarter of 2019. As a result of the sale, the previously recorded deferred tax liability of $69 million related to the

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future recognition of taxable income related to the Chicago Cubs Transactions became currently payable. Subsequent to the sale, the Company no longer owns any portion of CEV LLC and maintains no deferred taxes or tax reserves related to the Chicago Cubs Transactions. As of March 31, 2019, the Company has paid or accrued approximately $167 million of federal and state taxes on the deferred gain and the 2019 Cubs Sale through its regular tax reporting process The sale of the Company's ownership interest in CEV LLC has no impact on the Company's dispute with the IRS.

Other—Although management believes its estimates and judgments are reasonable, the resolutions of the Company's tax issues are unpredictable and could result in tax liabilities that are significantly higher or lower than that which has been provided by the Company The Company accounts for uncertain tax positions in accordance with ASC Topic 740, which addresses the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return The Company's liability for unrecognized tax benefits totaled $22 million and $21 million at March 31, 2019 and December 31, 2018, respectively The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease by approximately $2 million within the next twelve months due to the resolution of tax examination issues and statute of limitations expirations.

NOTE 10: PENSION AND OTHER RETIREMENT PLANS

The components of net periodic benefit credit for Company-sponsored pension plans were as follows (in thousands):

	Pension Benefits	
	Three Months Ended	
	March 31, 2019	March 31, 2018
Service cost	$ 213	$ 293
Interest cost	19,169	17,740
Expected return on plans' assets	(23,785)	(24,818)
Amortization of prior service costs	40	35
Net periodic benefit credit	$ (4,363)	$ (6,750)

Net periodic benefit cost related to other post retirement benefit plans was not material for all periods presented. The service cost component of pension net periodic benefit credit is included in SG&A in the Company's unaudited Condensed Consolidated Statements of Operations All other components of net periodic benefit credit are included in Pension and other postretirement periodic benefit credit, net in the Company's unaudited Condensed Consolidated Statements of Operations.

For 2019, the Company expects to contribute $3 million to its qualified pension plans and $1 million to its other postretirement plans In the three months ended March 31, 2019 and March 31, 2018, the Company's contributions were not material

NOTE 11: CAPITAL STOCK

The Company is authorized to issue up to one billion shares of Class A Common Stock, up to one billion shares of Class B Common Stock and up to 40 million shares of preferred stock, each par value $0.001 per share, in one or more series The Class A Common Stock and Class B Common Stock generally provide identical economic rights, but holders of Class B Common Stock have limited voting rights, including that such holders have no right to vote in the election of directors Subject to certain ownership limitations, as further described in Note 13 to the Company's audited consolidated financial statements for the year ended December 31, 2018, each share of Class A Common Stock is convertible into one share of Class B Common Stock and each share of Class B Common Stock is

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

convertible into one share of Class A Common Stock, in each case, at the option of the holder at any time The Company's Class A Common Stock is traded on the New York Stock Exchange under the symbol "TRCO." The Company's Class B Common Stock and Warrants are traded on the OTC Pink market under the symbols "TRBAB" and "TRBNW," respectively. On the Effective Date, the Company entered into the Warrant Agreement, pursuant to which the Company issued 16,789,972 Warrants to purchase Common Stock (the "Warrants") Each Warrant entitles the holder to purchase from the Company, at the option of the holder and subject to certain restrictions set forth in the Warrant Agreement and as described in Note 13 to the Company's audited consolidated financial statements for the year ended December 31, 2018, one share of Class A Common Stock or one share of Class B Common Stock at an exercise price of $0 001 per share, subject to adjustment and a cashless exercise feature. The Warrants may be exercised at any time on or prior to December 31, 2032.

Pursuant to the Company's amended and restated certificate of incorporation and the Warrant Agreement, in the event the Company determines that the ownership or proposed ownership of Common Stock or Warrants, as applicable, would be inconsistent with or violate any federal communications laws, materially limit or impair any business activities or proposed business activities of the Company under any federal communications laws, or subject the Company to any regulation under any federal communications laws to which the Company would not be subject, but for such ownership or proposed ownership, the Company may impose certain limitations on the rights of holders of Common Stock and Warrants, as further described in Note 13 to the Company's audited consolidated financial statements for the year ended December 31, 2018.

There were no conversions of the Company's Common Stock between Class A Common Stock and Class B Common Stock during the three months ended March 31, 2019 and March 31, 2018 No Warrants were exercised for Class A Common Stock or for Class B Common Stock during the three months ended March 31, 2019 and March 31, 2018

At March 31, 2019, the following amounts were issued 102,349,311 shares of Class A Common Stock, of which 14,102,185 were held in treasury, 5,557 shares of Class B Common Stock and 30,551 Warrants The Company has not issued any shares of preferred stock

On the Effective Date, the Company entered into a registration rights agreement (the "Registration Rights Agreement") with certain entities related to Angelo, Gordon & Co , L P (the "AG Group"), Oaktree Tribune, L.P , an affiliate of Oaktree Capital Management, L.P (the "Oaktree Group") and Isolieren Holding Corp , an affiliate of JPMorgan (the "JPM Group," and each of the JPM Group, AG Group and Oaktree Group, a "Stockholder Group") and certain other holders of Registrable Securities who become a party thereto. See Note 13 to the Company's audited consolidated financial statements for the year ended December 31, 2018 for additional information relating to the Registration Rights Agreement.

Common Stock Repurchases—On February 24, 2016, the Board authorized a stock repurchase program, under which the Company may repurchase up to $400 million of its outstanding Class A Common Stock Under the stock repurchase program, the Company may repurchase shares in open-market purchases in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Securities Exchange Act of 1934, as amended The Company did not repurchase any shares of Common Stock during 2018 or during the three months ended March 31, 2019 due to restrictions contained in the now terminated Sinclair Merger Agreement and the Nexstar Merger Agreement As of March 31, 2019, the remaining authorized amount under the current authorization totaled approximately $168 million

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Quarterly Cash Dividends—The Board declared quarterly cash dividends per share on Common Stock to holders of record of Common Stock and Warrants as follows (in thousands, except per share data)

	2019				2018			
	Per Share		Total Amount		Per Share		Total Amount	
First quarter	$	0 25	$	22,061	$	0 25	$	21,922

On May 1, 2019, the Board declared a quarterly cash dividend on Common Stock of $0.25 per share to be paid on June 4, 2019 to holders of record of Common Stock and Warrants as of May 20, 2019 Future dividends will be subject to the discretion of the Board and the terms of the Nexstar Merger Agreement, which limits the Company's ability to pay dividends, except for the payment of quarterly cash dividends not to exceed $0.25 per share consistent with record and payment dates in 2018.

The payment of quarterly cash dividends also results in the issuance of Dividend Equivalent Units ("DEUs") to holders of restricted stock units ("RSUs") and performance share units ("PSUs"), as described in Note 13 and Note 14 to the Company's audited consolidated financial statements for the year ended December 31, 2018.

NOTE 12: STOCK-BASED COMPENSATION

On May 5, 2016, the 2016 Incentive Compensation Plan (the "Incentive Compensation Plan") and the Stock Compensation Plan for Non-Employee Directors (the "Directors Plan" and, together with the Incentive Compensation Plan, the "2016 Equity Plans") were approved by the Company's shareholders for the purpose of granting stock awards to officers, employees and Board members of the Company and its subsidiaries, as further described in Note 14 to the Company's audited consolidated financial statements for the year ended December 31, 2018 There are 5,100,000 shares of Class A Common Stock authorized for issuance under the Incentive Compensation Plan and 200,000 shares of Class A Common Stock authorized for issuance under the Directors Plan, of which 2,279,348 shares and 157,588 shares, respectively, were available for grant as of March 31, 2019

Stock-based compensation for the three months ended March 31, 2019 and March 31, 2018 totaled $5 million in each period.

A summary of activity and weighted average exercise prices related to the NSOs is as follows:

	Three Months Ended March 31, 2019		
	Shares		Weighted Avg. Exercise Price
Outstanding, beginning of period	2,431,397	$	36.54
Exercised	(220,792)		31 74
Forfeited	(44,740)		33.10
Cancelled	(1,860)		50 49
Outstanding, end of period	2,164,005	$	37 09
Vested and exercisable, end of period	1,508,539	$	39 02

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

A summary of activity and weighted average fair values related to the RSUs is as follows:

	Three Months Ended March 31, 2019		
	Shares		Weighted Avg. Fair Value
Outstanding, beginning of period	1,123,554	$	35 46
Granted	467,430		46 03
Dividend equivalent units granted	6,376		46.04
Vested	(369,339)		34.48
Dividend equivalent units vested	(22,281)		37.51
Forfeited	(29,245)		36.55
Dividend equivalent units forfeited	(1,227)		38 45
Outstanding and nonvested, end of period	1,175,268	$	39 96

A summary of activity and weighted average fair values related to the restricted stock awards is as follows:

	Three Months Ended March 31, 2019		
	Shares		Weighted Avg. Fair Value
Outstanding, beginning of period	27,812	$	36 84
Outstanding and nonvested, end of period	27,812	$	36 84

A summary of activity and weighted average fair values related to the PSUs and Supplemental PSUs is as follows:

	Three Months Ended March 31, 2019		
	Shares		Weighted Avg. Fair Value
Outstanding, beginning of period	161,515	$	37 30
Granted (1)	49,342		46.43
Dividend equivalent units granted	1,487		40 95
Vested	(119,282)		36 60
Dividend equivalent units vested	(6,548)		37 19
Outstanding and nonvested, end of period	86,514	$	42 06

(1) Represents shares of PSUs for which performance targets have been established and which are deemed granted under U S GAAP

As of March 31, 2019, the Company had not yet recognized compensation cost on nonvested awards as follows (dollars in thousands):

	Unrecognized Compensation Cost		Weighted Avg. Remaining Recognition Period
Nonvested awards	$	50,268	2 6

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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NOTE 13: EARNINGS PER SHARE

The Company computes earnings (loss) per common share ("EPS") under the two-class method which requires the allocation of all distributed and undistributed earnings attributable to Tribune Media Company to common stock and other participating securities based on their respective rights to receive distributions of earnings or losses. The Company's Class A Common Stock and Class B Common Stock equally share in distributed and undistributed earnings In a period when the Company's distributed earnings exceed undistributed earnings, no allocation to participating securities or dilutive securities is performed The Company accounts for the Warrants as participating securities, as holders of the Warrants, in accordance with and subject to the terms and conditions of the Warrant Agreement, are entitled to receive ratable distributions of the Company's earnings concurrently with such distributions made to the holders of Common Stock, subject to certain restrictions relating to FCC rules and requirements. Under the terms of the Company's RSU and PSU agreements, unvested RSUs and PSUs contain forfeitable rights to dividends and DEUs Because the DEUs are forfeitable, they are defined as non-participating securities. As of March 31, 2019, there were 40,962 DEUs outstanding, which will vest at the time that the underlying RSU or PSU vests.

The Company computes basic EPS by dividing net income (loss) attributable to Tribune Media Company applicable to common shares by the weighted average number of common shares outstanding during the period. In accordance with the two-class method, undistributed earnings applicable to the Warrants are excluded from the computation of basic EPS Diluted EPS is computed by dividing net income (loss) attributable to Tribune Media Company by the weighted average number of common shares outstanding during the period as adjusted for the assumed exercise of all outstanding stock awards The calculation of diluted EPS assumes that stock awards outstanding were exercised at the beginning of the period The stock awards are included in the calculation of diluted EPS only when their inclusion in the calculation is dilutive. ASC Topic 260, "Earnings per Share," states that the presentation of basic and diluted EPS is required only for common stock and not for participating securities. In each of the three months ended March 31, 2019 and March 31, 2018, 30,551 of the weighted-average Warrants outstanding have been excluded from the below table

The calculation of basic and diluted EPS is presented below (in thousands, except for per share data):

	Three Months Ended	
	March 31, 2019	March 31, 2018
EPS numerator:		
Net income, as reported	$ 113,204	$ 141,183
Net loss attributable to noncontrolling interests	4	6
Net income attributable to Tribune Media Company	113,208	141,189
Less: Dividends distributed to Warrants	8	8
Less Undistributed earnings allocated to Warrants	32	42
Net income attributable to Tribune Media Company's common shareholders for basic and diluted EPS	$ 113,168	$ 141,139
EPS denominator		
Weighted average shares outstanding - basic	87,923	87 482
Impact of dilutive securities	1,043	910
Weighted average shares outstanding - diluted	88,966	88,392
Net Income Per Common Share Attributable to Tribune Media Company		
Basic	$ 1 29	$ 1 61
Diluted	$ 1 27	$ 1 60

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Because of their anti-dilutive effect, 573,266 and 1,108,732 common share equivalents, comprised of NSOs, PSUs, and RSUs, have been excluded from the diluted EPS calculation for the three months ended March 31, 2019 and March 31, 2018, respectively.

NOTE 14: ACCUMULATED OTHER COMPREHENSIVE LOSS

AOCI is a separate component of shareholders' equity in the Company's unaudited Condensed Consolidated Balance Sheets. The following table summarizes the changes in AOCI, net of taxes by component (in thousands).

	Pension and Other Post-Retirement Benefit Items	Cash Flow Hedging Instruments	Foreign Currency Translation Adjustments	Total
Balance at December 31, 2018	$ (108,238)	$ 4,564	$ (1,293)	$ (104,967)
Other comprehensive income before reclassifications	—	(5,018)	(328)	(5,346)
Amounts reclassified from AOCI	(54)	(212)	—	(266)
Balance at March 31, 2019	$ (108,292)	$ (666)	$ (1,621)	$ (110,579)

NOTE 15: BUSINESS SEGMENTS

The following table summarizes business segment financial data (in thousands).

	Three Months Ended	
	March 31, 2019	March 31, 2018
Operating Revenues		
Television and Entertainment	$ 453,427	$ 440,702
Corporate and Other	1,561	2,933
Total operating revenues	$ 454,988	$ 443,635
Operating Profit (Loss) (1)		
Television and Entertainment	$ 79,925	$ 211,852
Corporate and Other	(25,222)	(24,567)

Total operating profit (loss)	$ 54,703	$ 187,285
Depreciation		
Television and Entertainment	$ 11,062	$ 10,870
Corporate and Other	1,890	2,905
Total depreciation	$ 12,952	$ 13,775
Amortization		
Television and Entertainment	$ 35,021	$ 41,687
Capital Expenditures		
Television and Entertainment	$ 11,933	$ 10,126
Corporate and Other	1,445	3,547
Total capital expenditures	$ 13,378	$ 13,673

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

		March 31, 2019		December 31, 2018
Assets				
Television and Entertainment	$	6,913,874	$	6,976,808
Corporate and Other		1,446,083		1,274,583
Assets held for sale (2)		60,177		—
Total assets	$	8,420,134	$	8,251,391

(1) Operating profit (loss) for each segment excludes income and loss on equity investments, interest income interest expense, pension and other postretirement period benefit cost (credit) non-operating items, reorganization costs and income taxes
(2) See Note 2 for information regarding assets held for sale

NOTE 16: CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

The Company is the issuer of the Notes (see Note 6) and such debt is guaranteed by the Company's subsidiary guarantors (the "Subsidiary Guarantors"). The Subsidiary Guarantors are direct or indirect 100% owned domestic subsidiaries of the Company The Company's payment obligations under the Notes are jointly and severally guaranteed by the Subsidiary Guarantors, and all guarantees are full and unconditional The subsidiaries of the Company that do not guarantee the Notes (the "Non-Guarantor Subsidiaries") include certain direct or indirect subsidiaries of the Company

The guarantees are subject to release under certain circumstances, including (a) upon the sale, exchange, disposition or other transfer (including through merger, consolidation or dissolution) of the interests in such Subsidiary Guarantor, after which such Subsidiary Guarantor is no longer a restricted subsidiary of the Company, or all or substantially all the assets of such Subsidiary Guarantor, in any case if such sale, exchange, disposition or other transfer is not prohibited by the Indenture, (b) upon the Company designating such Subsidiary Guarantor to be an unrestricted subsidiary in accordance with the Indenture, (c) in the case of any restricted subsidiary of the Company that after the issue date is required to guarantee the Notes, upon the release or discharge of the guarantee by such restricted subsidiary of any indebtedness of the Company or another Subsidiary Guarantor or the repayment of any indebtedness of the Company or another Subsidiary Guarantor, in each case, which resulted in the obligation to guarantee the Notes, (d) upon the Company's exercise of its legal defeasance option or covenant defeasance option in accordance with the Indenture or if the Company's obligations under the Indenture are discharged in accordance with the terms of the Indenture, (e) upon the release or discharge of direct obligations of such Subsidiary Guarantor, or the guarantee by such guarantor of the obligations, under the Senior Credit Agreement, or (f) during the period when the rating of the Notes is changed to investment grade.

In the fourth quarter of 2018, the Company released certain Subsidiary Guarantors from their guarantees of the Notes upon designating such Subsidiary Guarantors to be unrestricted subsidiaries in accordance with the Indenture. As a result, these subsidiaries became Non-Guarantor Subsidiaries and the operations of these entities were

retrospectively reclassified and are now reflected in the Non-Guarantor Subsidiaries column for all periods presented These reclassifications had no impact on the Company's historical consolidated results of operations

In lieu of providing separate audited financial statements for the Subsidiary Guarantors, the Company has included the accompanying unaudited condensed consolidating financial statements in accordance with the requirements of Rule 3-10(f) of SEC Regulation S-X. The following unaudited Condensed Consolidating Financial Statements present the Consolidated Balance Sheets, Consolidated Statements of Operations and Comprehensive Income (Loss) and Consolidated Statements of Cash Flows of Tribune Media Company, the Subsidiary Guarantors, the Non-Guarantor Subsidiaries and the eliminations necessary to arrive at the Company's information on a consolidated basis

These statements are presented in accordance with the disclosure requirements under SEC Regulation S-X, Rule 3-10.

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED MARCH 31, 2019
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Operating Revenues	$ —	$ 453,637	$ 1,351	$ —	$ 454,988
Programming and direct operating expenses	—	218,352	698	—	219,050
Selling, general and administrative	23,573	108,804	885	—	133,262
Depreciation and amortization	1,743	43,370	2,860	—	47,973
Total Operating Expenses	25,316	370,526	4,443	—	400,285
Operating (Loss) Profit	(25,316)	83,111	(3,092)	—	54,703
Income (loss) on equity investments, net	—	46,457	(772)	—	45,685
Interest income	6,246	—	1	—	6,247
Interest expense	(43,615)	—	—	—	(43,615)
Pension and other postretirement periodic benefit credit, net	4,630	—	—	—	4,630
Gain on investment transaction	—	—	86,272	—	86,272
Other non-operating items, net	(1,202)	(1,000)	(739)	—	(2,941)
Intercompany income (charges)	23,578	(23,578)	—	—	—
(Loss) Income Before Income Taxes and Earnings (Losses) from Consolidated Subsidiaries	(35,679)	104,990	81,670	—	150,981
Income tax (benefit) expense	(8,788)	28,647	17,918	—	37,777
Equity (deficit) in earnings of consolidated subsidiaries, net of taxes	140,099	(160)	—	(139,939)	—

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Net Income (Loss)	$ 113,208	$ 76,183	$ 63,752	$ (139,939)	$ 113,204
Net loss attributable to noncontrolling interests	—	—	4	—	4
Net Income (Loss) attributable to Tribune Media Company	$ 113,208	$ 76,183	$ 63,756	$ (139,939)	$ 113,208
Comprehensive Income (Loss)	$ 107,596	$ 76,168	$ 63,443	$ (139,611)	$ 107,596

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED MARCH 31, 2018
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Operating Revenues	$ —	$ 440,891	$ 2,744	$ —	$ 443,635
Programming and direct operating expenses	—	201,343	786	—	202,129
Selling, general and administrative	22,864	108,372	720	—	131,956
Depreciation and amortization	2,404	49,932	3,126	—	55,462
Gain on sales of spectrum	—	(133,197)	—	—	(133,197)
Total Operating Expenses	25,268	226,450	4,632	—	256,350
Operating (Loss) Profit	(25,268)	214,441	(1,888)	—	187,285
Income (loss) on equity investments, net	—	39,358	(221)	—	39,137
Interest income	1,898	—	—	—	1,898
Interest expense	(40,631)	—	—	—	(40,631)
Pension and other postretirement periodic benefit credit, net	7,084	—	—	—	7,084
Gain on investment transaction	—	—	3,888	—	3,888
Other non-operating items, net	(776)	—	—	—	(776)
Intercompany income (charges)	12,413	(12,371)	(42)	—	—
(Loss) Income Before Income Taxes and Earnings (Losses) from Consolidated Subsidiaries	(45,280)	241,428	1,737	—	197,885
Income tax (benefit) expense	(7,555)	63,850	407	—	56,702
	178,914	(338)	—	(178,576)	—

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Equity (deficit) in earnings of consolidated subsidiaries, net of taxes					
Net Income (Loss)	$ 141,189	$ 177,240	$ 1,330	$ (178,576)	$ 141,183
Net loss attributable to noncontrolling interests	—	—	6	—	6
Net Income (Loss) attributable to Tribune Media Company	$ 141,189	$ 177,240	$ 1,336	$ (178,576)	$ 141,189
Comprehensive Income (Loss)	$ 149,681	$ 177,215	$ 1,796	$ (179,011)	$ 149,681

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF MARCH 31, 2019
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 1,289,528	$ 1,596	$ 3,125	$ —	$ 1,294,249
Restricted cash and cash equivalents	16,607	—	—	—	16,607
Accounts receivable, net	663	403,777	567	—	405,007
Broadcast rights	—	86,323	1,322	—	87,645
Income taxes receivable	—	17,625	—	—	17,625
Prepaid expenses	13 436	12,313	363	—	26,112
Other	5,804	1,229	526	—	7,559
Total current assets	1,326 038	522,863	5 903	—	1,854,804
Properties					
Property plant and equipment	45 728	561,686	29,494	—	636,908
Accumulated depreciation	(33 663)	(242 534)	(1,722)	—	(277,919)
Net properties	12 065	319,152	27,772	—	358,989
Investments in subsidiaries	11 056 727	59 328	—	(11,116,055)	—
Other Assets					
Broadcast rights	—	81,783	349	—	82,132
Operating lease right-of-use assets	8,157	143,184	144	—	151,485
Goodwill	—	3,220,300	8,136	—	3,228,436

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Other intangible assets, net	—	1,341,225	64,334	—	1,405 559
Assets held for sale	—	60,177	—	—	60,177
Investments	850	1,126,887	8,816	—	1,136,553
Intercompany receivables	3,092,697	6,968,783	1,474,573	(11,536,053)	—
Other	62,883	137,228	7,727	(65,839)	141,999
Total other assets	3 164,587	13,079,567	1,564,079	(11,601,892)	6,206,341
Total Assets	$ 15,559 417	$ 13,980,910	$ 1,597,754	$ (22,717,947)	$ 8 420 134

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF MARCH 31, 2019
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Liabilities and Shareholders' Equity (Deficit)					
Current Liabilities					
Accounts payable	$ 21,969	$ 20,274	$ 1,362	$ —	$ 43,605
Income taxes payable	—	101,856	—	—	101,856
Contracts payable for broadcast rights	—	218,727	1,528	—	220,255
Deferred revenue	—	11,784	895	—	12,679
Interest payable	14,509	—	—	—	14,509
Operating lease liabilities	1,740	22,455	35	—	24,230
Other	38,798	46,026	879	—	85,703
Total current liabilities	77,016	421,122	4,699	—	502,837
Non-Current Liabilities					
Long-term debt	2,927,791	—	—	—	2,927,791
Deferred income taxes	—	581,603	—	(65,839)	515,764
Contracts payable for broadcast rights	—	201,143	382	—	201,525
Operating lease liabilities	8 593	135,096	109	—	143,798
Intercompany payables	8 534 851	2,285,191	716 011	(11,536,053)	—
Other obligations	390 776	87,930	23,948	—	502,654
Total non-current liabilities	11,862,011	3,290,963	740,450	(11,601 892)	4,291,532
Total liabilities	11,939,027	3,712,085	745,149	(11,601,892)	4,794,369
Shareholders' Equity (Deficit)					
Common stock	102	—	—	—	102
Treasury stock	(632,194)	—	—	—	(632,194)
Additional paid-in-capital	4 035 660	8,307,898	913,902	(9,221 800)	4,035,660
Retained earnings (deficit)	327 401	1,962,172	(66,296)	(1,895 876)	327,401
Accumulated other comprehensive (loss) income	(110,579)	(1,245)	(376)	1 621	(110,579)
Total Tribune Media Company shareholders equity (deficit)	3 620,390	10,268,825	847,230	(11 116 055)	3,620 390
Noncontrolling interests	—	—	5,375	—	5,375
Total shareholders' equity (deficit)	3,620,390	10,268,825	852,605	(11,116,055)	3,625,765
Total Liabilities and Shareholders' Equity (Deficit)	$ 15,559,417	$ 13,980,910	$ 1,597,754	$ (22,717,947)	$ 8,420,134

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TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2018
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 1,058,961	$ 904	$ 3,176	$ —	$ 1,063,041
Restricted cash and cash equivalents	16,607	—	—	—	16,607
Accounts receivable, net	323	415,836	779	—	416,938
Broadcast rights	—	96,308	1,961	—	98,269
Income taxes receivable	—	23,922	—	—	23,922
Prepaid expenses	6,992	12,139	313	—	19,444
Other	6,201	1,305	3	—	7,509
Total current assets	1 089 084	550 414	6,232	—	1,645,730
Properties					
Property plant and equipment	45 684	612,282	29,411	—	687 377
Accumulated depreciation	(31 920)	(232 469)	(1,689)	—	(266,078)
Net properties	13 764	379,813	27,722	—	421 299
Investments in subsidiaries	10,899,707	59,488	—	(10 959,195)	—
Other Assets					
Broadcast rights	—	95,482	394	—	95 876
Goodwill	—	3,220,300	8,301	—	3,228,601
Other intangible assets, net	—	1,375,180	67 276	—	1,442,456

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Investments	850	1,233,522	30,065	—	1,264,437
Intercompany receivables	2,987,672	6,571,444	1,447,586	(11,006,702)	—
Other	69,856	141,117	3,229	(61,210)	152,992
Total other assets	3,058,378	12,637,045	1,556,851	(11,067,912)	6,184,362
Total Assets	$ 15,060 933	$ 13,626,760	$ 1,590,805	$ (22,027,107)	$ 8,251,391

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2018
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Liabilities and Shareholders' Equity (Deficit)					
Current Liabilities					
Accounts payable	$ 23,051	$ 20,357	$ 1,489	$ —	$ 44,897
Income taxes payable	—	9,973	—	—	9,973
Contracts payable for broadcast rights	—	230,501	2,186	—	232,687
Deferred revenue	—	11,639	869	—	12,508
Interest payable	30,086	—	—	—	30,086
Other	44,702	76,694	246	—	121,642
Total current liabilities	97,839	349,164	4,790	—	451,793
Non-Current Liabilities					
Long-term debt	2,926,083	—	—	—	2,926,083
Deferred income taxes	—	570,933	64,201	(61,210)	573,924
Contracts payable for broadcast rights	—	232,850	425	—	233,275
Intercompany payables	8,121,544	2,176,908	708,250	(11,006,702)	—
Other	397,559	121,497	24,163	—	543,219
Total non-current liabilities	11,445,186	3,102,188	797,039	(11,067,912)	4,276,501
Total Liabilities	11,543,025	3,451,352	801,829	(11,067,912)	4,728,294
Shareholders' Equity (Deficit)					
Common stock	102	—	—	—	102
Treasury stock	(632,194)	—	—	—	(632,194)
Additional paid-in-capital	4,031,233	8,307,898	913,902	(9,221,800)	4,031,233
Retained (deficit) earnings	223,734	1,868,740	(130,052)	(1,738,688)	223,734
Accumulated other comprehensive (loss) income	(104,967)	(1,230)	(63)	1,293	(104,967)
Total Tribune Media Company shareholders' equity (deficit)	3,517,908	10,175,408	783,787	(10,959,195)	3,517,908
Noncontrolling interests	—	—	5,189	—	5,189
Total shareholders' equity (deficit)	3,517,908	10,175,408	788,976	(10,959,195)	3,523,097
Total Liabilities and Shareholders' Equity (Deficit)	$ 15,060,933	$ 13,626,760	$ 1,590,805	$ (22,027,107)	$ 8,251,391

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Net cash (used in) provided by operating activities	$ (53,456)	$ 299,681	$ (88,714)	$ —	$ 157,511
Investing Activities					
Capital expenditures	(919)	(12,658)	199	—	(13,378)
Spectrum repack reimbursements	—	3,673	—	—	3,673
Proceeds from the sales of investments	—	—	107,500	—	107,500
Other, net	—	(948)	—	—	(948)
Net cash (used in) provided by investing activities	(919)	(9,933)	107,699	—	96,847
Financing Activities					
Payments of dividends	(22,061)	—	—	—	(22,061)
Tax withholdings related to net share settlements of share-based awards	(8,288)	—	—	—	(8,288)
Proceeds from stock option exercises	7,009	—	—	—	7,009
Contribution from noncontrolling interest	—	—	190	—	190
Change in intercompany receivables and payables and intercompany contributions	308,282	(289,056)	(19,226)	—	—
Net cash provided by (used in) financing activities	284,942	(289,056)	(19,036)	—	(23,150)
Net Increase (decrease) in Cash, Cash Equivalents and Restricted Cash	230,567	692	(51)	—	231,208
Cash, cash equivalents and restricted cash, beginning of period	1,075,568	904	3,176	—	1,079,648
Cash, cash equivalents and restricted cash, end of period	$ 1,306,135	$ 1,596	$ 3,125	$ —	$ 1,310,856

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Cash, Cash Equivalents and Restricted Cash are Comprised of:					
Cash and cash equivalents	$ 1,289,528	$ 1,596	$ 3,125	$ —	$ 1,294,249
Restricted cash and cash equivalents	16,607	—	—	—	16,607
Total cash, cash equivalents and restricted cash	$ 1,306,135	$ 1,596	$ 3,125	$ —	$ 1,310,856

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

TRIBUNE MEDIA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(In thousands of dollars)

	Parent (Tribune Media Company)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Tribune Media Company Consolidated
Net cash (used in) provided by operating activities	$ (43,982)	$ 228,723	$ (27,346)	$ —	$ 157,395
Investing Activities					
Capital expenditures	(2,813)	(10,836)	(24)	—	(13,673)
Proceeds from sales of investments	—	—	3,890	—	3,890
Other	—	16	—	—	16
Net cash (used in) provided by investing activities	(2,813)	(10,820)	3,866	—	(9,767)
Financing Activities					
Payments of dividends	(21,922)	—	—	—	(21,922)
Tax withholdings related to net share settlements of share-based awards	(5,493)	—	—	—	(5,493)
Proceeds from stock option exercises	581	—	—	—	581
Change in intercompany receivables and payables and intercompany contributions	193,972	(218,271)	24,299	—	—
Net cash provided by (used in) financing activities	167,138	(218,271)	24,299	—	(26,834)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	120,343	(368)	819	—	120,794
Cash, cash equivalents and restricted cash, beginning of period	687,868	1,501	1,882	—	691,251
Cash, cash equivalents and restricted cash, end of period	$ 808,211	$ 1,133	$ 2,701	$ —	$ 812,045
Cash, Cash Equivalents and Restricted Cash are Comprised of:					
Cash and cash equivalents	$ 791,604	$ 1,133	$ 2,701	$ —	$ 795,438
Restricted cash and cash equivalents	16,607	—	—	—	16,607
Total cash, cash equivalents and restricted cash	$ 808,211	$ 1,133	$ 2,701	$ —	$ 812,045

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used in this management's discussion and analysis, unless otherwise specified or the context otherwise requires, "Tribune," "we," "our," "us" and the "Company" refer to Tribune Media Company and its consolidated subsidiaries

This discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and accompanying notes as well as our audited consolidated financial statements for the year ended December 31, 2018.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the three months ended March 31, 2019 (the "Quarterly Report"), as well as other public documents and statements of the Company, includes "forward-looking statements" within the meaning of the federal securities laws, including, without limitation, statements concerning the conditions in our industry, our operations, our economic performance and financial condition, including, in particular, statements related to the proposed Nexstar Merger (as defined below). Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may," "might," "will," "should," "estimate," "project," "plan," "anticipate," "expect," "intend," "outlook," "believe" and other similar expressions You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. These forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain and subject to a number of risks and uncertainties These risks and uncertainties include, without limitation, those identified or referenced under "Item 1A Risk Factors" included elsewhere in this Quarterly Report

The following list represents some, but not necessarily all, of the factors that could cause actual results to differ from historical results or those anticipated or predicted by these forward-looking statements:

- risks associated with the ability to consummate the merger (the "Nexstar Merger") between us and Nexstar Media Group, Inc ("Nexstar") and the timing of the closing of the Nexstar Merger,
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement and Plan of Merger dated November 30, 2018 (the "Nexstar Merger Agreement") with Nexstar and Titan Merger Sub, Inc , a wholly owned subsidiary of Nexstar ("Nexstar Merger Sub"), providing for the acquisition by Nexstar of all of the outstanding shares of our Class A common stock ("Class A Common Stock") and Class B common stock ("Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), including a termination under circumstances that could require us to pay a termination fee to Nexstar;
- the risk that the regulatory approvals for the proposed Nexstar Merger with Nexstar may be delayed, not be obtained or may be obtained subject to conditions that are not anticipated,
- risks related to the disruption of management time from ongoing business operations due to the pending Nexstar Merger and the restrictions imposed on the Company's operations under the terms of the Nexstar Merger Agreement,
- uncertainty associated with the effect of the announcement of the Nexstar Merger on our ability to retain and hire key personnel, on our ability to maintain relationships with advertisers and customers and on our operating results and businesses generally;
- changes in advertising demand and audience shares,
- competition and other economic conditions including incremental fragmentation of the media landscape and competition from other media alternatives,

- changes in the overall market for broadcast and cable television advertising, including through regulatory and judicial rulings;
- our ability to protect our intellectual property and other proprietary rights;
- our ability to adapt to technological changes,
- availability, volatility and cost of quality network, syndicated and sports programming affecting our television ratings;
- conduct and changing circumstances related to third-party relationships on which we rely for our business;
- the loss, cost and/or modification of our network affiliation agreements,
- our ability to renegotiate retransmission consent agreements, or resolve disputes, with multichannel video programming distributors ("MVPDs");
- the incurrence of additional tax-related liabilities related to historical income tax returns,
- our ability to realize the full value, or successfully complete the planned divestitures, of our real estate assets,
- the impact of the modifications to the spectrum on the operation of our television stations, and the costs, terms and restrictions associated with such actions;
- the incurrence of costs to address contamination issues at physical sites owned, operated or used by our businesses;
- adverse results from litigation, governmental investigations or tax-related proceedings or audits, including proceedings that may relate to our entry into the Nexstar Merger Agreement,
- our ability to settle unresolved claims filed in connection with the Debtors' Chapter 11 cases and resolve the appeals seeking to overturn the Confirmation Order:
- our ability to satisfy future pension and other postretirement employee benefit obligations;
- the effect of labor strikes, lock-outs and labor negotiations,
- the financial performance and valuation of our equity method investments;
- the impairment of our existing goodwill and other intangible assets,
- compliance with, and the effect of changes or developments in, government regulations applicable to the television and radio broadcasting industry,
- consolidation in the broadcasting industry,
- changes in accounting standards;
- the payment of cash dividends on our common stock,
- impact of increases in interest rates on our variable rate indebtedness or refinancings thereof,
- our indebtedness and ability to comply with covenants applicable to our debt financing and other contractual commitments;
- our ability to satisfy future capital and liquidity requirements;
- our ability to access the credit and capital markets at the times and in the amounts needed and on acceptable terms,
- the factors discussed under "Risk Factors" of the Company's filings with the Securities and Exchange Commission (the "SEC"), and
- other events beyond our control that may result in unexpected adverse operating results.

We caution you that the foregoing list of important factors is not exhaustive In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Quarterly Report may not in fact occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. Should one or more of the risks or uncertainties described in this Quarterly Report or our other filings with the SEC occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements

OVERVIEW

We are a diversified media and entertainment company comprised of 42 local television stations, which we refer to as "our television stations," that are either owned by us or owned by others, but to which we provide certain services, along with a national general entertainment cable network, a radio station, a portfolio of real estate assets and investments in a variety of media, websites and other related assets

Our business consists of our Television and Entertainment operations and the management of certain of our real
estate assets We also hold a variety of investments, including an equity investment in Television Food Network, G P ("TV Food Network") that provides substantial annual cash distributions. Prior to the sale of our membership interest on January 22, 2019, we held an investment in Chicago Entertainment Ventures, LLC (formerly Chicago Baseball Holdings, LLC) ("CEV LLC").

Television and Entertainment is a reportable segment, which provides audiences across the country with news, entertainment and sports programming on Tribune Broadcasting local television stations and distinctive, high quality television series and movies on WGN America as well as news, entertainment and sports information via our websites and other digital assets Television and Entertainment includes 42 local television stations and related websites, including 39 owned stations and 3 stations to which we provide certain services with Dreamcatcher Broadcasting LLC ("Dreamcatcher"), WGN America, a national general entertainment cable network, Antenna TV and THIS TV, national multicast networks, Covers Media Group, a sports betting information website; and WGN-AM, a radio station in Chicago.

In addition, we report and include under *Corporate and Other* the management of certain of our real estate assets, including revenues from leasing our owned office and production facilities and any gains or losses from the sales of our real estate, as well as certain administrative activities associated with operating corporate office functions.

Our results of operations, when examined on a quarterly basis, reflect the historical seasonality of our advertising revenues. Typically, second and fourth quarter advertising revenues are higher than first and third quarter advertising revenues Results for the second quarter usually reflect spring seasonal advertising, while the fourth quarter includes advertising related to the holiday season In addition, our operating results are subject to fluctuations from political advertising as political spending is usually significantly higher in even numbered years due to advertising expenditures preceding local and national elections. For additional information on the businesses we operate, see "Item 1. Business" of our Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Annual Report") and our other filings with the SEC

SIGNIFICANT EVENTS

Nexstar Merger Agreement

On November 30, 2018, we entered into the Nexstar Merger Agreement, providing for the acquisition by Nexstar of all of the outstanding shares of our Common Stock, by means of a merger of Nexstar Merger Sub with and into Tribune Media Company, with the Company surviving the Nexstar Merger as a wholly-owned subsidiary of Nexstar

In the Nexstar Merger, each share of Common Stock issued and outstanding immediately prior to the effective time of the Nexstar Merger (the "Effective Time") (other than shares held by (i) any Tribune subsidiary, Nexstar or any Nexstar subsidiary or (ii) Tribune shareholders who have not voted in favor of adopting the Nexstar Merger Agreement and who have demanded and perfected (and not validly withdrawn or waived) their appraisal rights in compliance with Section 262 of the DGCL) will be converted into the right to receive a cash payment of $46.50 (the "base merger consideration"), plus, if the Nexstar Merger closes after August 31, 2019 (the "Adjustment Date"), an additional amount in cash equal to (a) (i) $0.009863 multiplied by (ii) the number of calendar days elapsed after Adjustment Date to and including the date on which the Nexstar Merger closes, minus (b) the amount of any dividends declared by us after the Adjustment Date with a record date prior to the date on which the Nexstar Merger closes, in each case, without interest and less any required withholding taxes (the "additional per share consideration", and together with the base merger consideration, the "Nexstar Merger Consideration") The additional per share consideration will not be less than zero.

Each option to purchase shares of Common Stock outstanding as of immediately prior to the Effective Time, whether or not vested or exercisable, will be cancelled and converted into the right to receive, for each share of Common Stock subject to such stock option, a cash payment equal to the excess, if any, of the value of the Nexstar Merger Consideration over the exercise price per share of such stock option, without any interest and subject to all applicable withholding Any stock option that has an exercise price per share that is greater than or equal to the Nexstar Merger Consideration will be cancelled for no consideration or payment Each award of restricted stock units outstanding as of immediately prior to the Effective Time, whether or not vested, will immediately vest and be cancelled and converted into the right to receive a cash payment equal to the product of the total number of shares of Common Stock underlying such restricted stock unit multiplied by the Nexstar Merger Consideration, without any interest and subject to all applicable withholding (the "RSU Consideration"), except that each award of restricted stock units granted to an employee on or after December 1, 2018 (other than restricted stock units required to be granted pursuant to employment agreements or offer letters) ("Annual Tribune RSUs") that has vested as of the Effective Time of the Nexstar Merger will be cancelled and converted into the right to receive the RSU Consideration and any Annual Tribune RSUs that remain unvested as of the Effective Time of the Nexstar Merger will be cancelled for no consideration or payment Each award of performance stock units outstanding as of immediately prior to the Effective Time, whether or not vested, will immediately vest (with performance conditions for each open performance period as of the closing date deemed achieved at the applicable "target" level performance for such performance stock units) and be cancelled and converted into the right to receive a cash payment equal to the product of the total number of shares of Common Stock underlying such performance stock units multiplied by the Nexstar Merger Consideration, without any interest and subject to all applicable withholding. Each outstanding award of deferred stock units outstanding as of immediately prior to the Effective Time will be cancelled and converted into the right to receive a cash payment equal to the product of the total number of shares of Common Stock underlying such deferred stock units multiplied by the Nexstar Merger Consideration, without interest and subject to all applicable withholding. Each unexercised warrant to purchase shares of Common Stock outstanding as of immediately prior to the Effective Time will be assumed by Nexstar and converted into a warrant exercisable for the Nexstar Merger Consideration which the shares of Common Stock underlying such warrant would have been entitled to receive upon consummation of the Nexstar Merger and otherwise upon the same terms and conditions of such warrant immediately prior to the Effective Time

The consummation of the Nexstar Merger is subject to the satisfaction or waiver of certain customary conditions, including, among others: (i) the adoption of the Nexstar Merger by holders of a majority of our outstanding Common Stock, (ii) the receipt of approval from the Federal Communications Commission (the "FCC") (the "FCC Approval") and the expiration or termination of the waiting period applicable to the Nexstar Merger under the HSR Act and (iii) the absence of any order or law of any governmental authority that prohibits or makes illegal the consummation of the Nexstar Merger. Our and Nexstar's respective obligations to consummate the Nexstar Merger are also subject to certain additional customary conditions, including (i) the accuracy of the representations and warranties of the other party (generally subject to a "material adverse effect" standard), (ii) performance by the other party of its covenants in the Nexstar Merger Agreement in all material respects and (iii) with respect to Nexstar's obligation to consummate the Nexstar Merger, since the date of the Nexstar Merger Agreement, no material adverse effect with respect to Tribune having occurred.

The applications for FCC Approval (the "Merger Applications") were filed on January 7, 2019 On February 14, 2019, the FCC issued a public notice of filing of the Merger Applications which set deadlines for petitions to deny the applications, oppositions to petitions to deny and replies to oppositions to petitions to deny.

On February 7, 2019, we received a request for additional information and documentary material, often referred to as a "second request," from the DOJ in connection with the Nexstar Merger Agreement The second request was issued under the HSR Act Nexstar received a substantively identical request for additional information and documentary material from the DOJ in connection with the transactions contemplated by the Nexstar Merger Agreement.'Consummation of the transactions contemplated by the Nexstar Merger Agreement is conditioned on expiration of the waiting period applicable under the HSR Act, among other conditions Issuance of the second request extends the waiting period under the HSR Act until 30 days after Nexstar and the Company have substantially complied with the second request, unless the waiting period is terminated earlier by the DOJ or the parties voluntarily extend the time for closing

On March 12, 2019, holders of a majority of the outstanding shares of our Class A Common Stock and Class B Common Stock, voting as a single class, voted on and approved the Nexstar Merger Agreement at a duly called special meeting of Tribune Media Company shareholders.

On March 20, 2019, in connection with its divestiture obligations under the Nexstar Merger Agreement, Nexstar entered into definitive asset purchase agreements with TEGNA Inc ("TEGNA") and The E W. Scripps Company ("Scripps") to sell a total of 19 stations (including 10 Tribune Media Company-owned stations, as well as 3 stations to which we provide certain services (WTKR-TV, Norfolk, VA, WGNT-TV, Portsmouth, VA and WNEP-TV, Scranton, PA, collectively, the "Dreamcatcher Stations")) in 15 markets to TEGNA and Scripps following the completion of the Nexstar Merger (the "Nexstar Transactions"). Additionally, on April 8, 2019, Nexstar entered into a definitive agreement with Circle City Broadcasting I, Inc ("CCB") to sell 2 Nexstar stations to CCB following the completion of the Nexstar Merger The consummation of each transaction is subject to the satisfaction or waiver of certain customary conditions, including, among others, (i) the closing of the transactions contemplated by the Nexstar Merger Agreement, (ii) the receipt of approval from the FCC and the DOJ and the expiration or termination of any waiting period applicable to such transaction under the HSR Act and (iii) the absence of certain legal impediments to the consummation of such transaction. On April 15, 2019, the Federal Trade Commission issued an early termination notice with respect to the waiting period applicable under the HSR Act in connection with the transaction with Scripps.

On April 2, 2019, we exercised an option with Dreamcatcher to repurchase the Dreamcatcher Stations, to be consummated substantially concurrent with the closing of the Nexstar Merger (the "Dreamcatcher Repurchase") Following the consummation of the Dreamcatcher Repurchase, the Dreamcatcher Stations are expected to be sold to TEGNA and Scripps in connection with the Nexstar Merger In the event we are unable to consummate the Nexstar Merger, we may rescind our option to repurchase the Dreamcatcher stations.

Applications seeking FCC consent to station divestitures necessary to obtain the FCC Approval (the "Divestiture Applications") were filed on April 3, 2019, April 8, 2019, April 10, 2019 and April 16, 2019. On April 26, 2019, the FCC issued a public notice of the filing of the Divestiture Applications which set deadlines for petitions to deny the applications, oppositions to petitions to deny and replies to oppositions to petitions to deny

The Nexstar Merger Agreement may be terminated at any time prior to the Effective Time, (i) by mutual written consent of Nexstar and us; (ii) by either Nexstar or us (a) if the Effective Time has not occurred on or before November 30, 2019, provided that (x) if, on the initial end date, any of the conditions to the consummation of the Nexstar Merger related to the HSR Approval or the FCC Approval have not been satisfied, but all other conditions the consummation of the Nexstar Merger have been satisfied or waived or capable of being satisfied, then the end date will be automatically extended to February 29, 2020 and (y) in the event the marketing period for the debt financing for the transaction has commenced but has not completed by the end date, the end date may be extended (or further extended) by Nexstar on one occasion in its sole discretion by providing written notice thereof to us at least one business day prior to the end date until the date that is four business days after the last scheduled expiration date of the marketing period (unless the failure of the Effective Time to occur before the end date was primarily due

to such party's breach of any of its obligations under the Nexstar Merger Agreement), (b) if any governmental authority of competent jurisdiction has issued an order permanently prohibiting the consummation of the Nexstar Merger and such order has become final and non-appealable (unless such order was primarily attributable to such party's breach of the Nexstar Merger Agreement), and (iii) either Nexstar or us in certain circumstances, as described in the Nexstar Merger Agreement

As further described in Note 1 to our audited consolidated financial statements for the year ended December 31, 2018, we must pay Nexstar a termination fee of $135 million if we or Nexstar terminate the Nexstar Merger Agreement in certain circumstances, except that such termination fee may be reduced by any previously paid amounts relating to the documented, out-of-pocket expenses of Nexstar in an amount not to exceed $15 million.

Chapter 11 Reorganization

On December 8, 2008 (the "Petition Date"), Tribune Company and 110 of its direct and indirect wholly-owned subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief (collectively, the "Chapter 11 Petitions") under chapter 11 ("Chapter 11") of title 11 of the United States Code (the "Bankruptcy Code") in the U S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Fourth Amended Joint Plan of Reorganization for Tribune Company and its Subsidiaries (as subsequently modified, the "Plan") became effective and the Debtors emerged from Chapter 11 on December 31, 2012 (the "Effective Date") The Bankruptcy Court has entered final decrees that have collectively closed 106 of the Debtors' Chapter 11 cases The remaining Debtors' Chapter 11 proceedings continue to be jointly administered under the caption *In re Tribune Media Company, et al*, Case No. 08-13141.

See Note 10 to our audited consolidated financial statements for the year ended December 31, 2018 for additional information regarding the Chapter 11 proceedings

At March 31, 2019, restricted cash held by us to satisfy the remaining claim obligations was $17 million and is estimated to be sufficient to satisfy such obligations If the aggregate allowed amount of the remaining claims exceeds the restricted cash held for satisfying such claims, we would be required to satisfy the allowed claims from our cash from operations

Chicago Cubs Transactions

As further described in Note 11 to our audited consolidated financial statements for the year ended December 31, 2018, on June 28, 2016, the IRS issued to us a Notice of Deficiency ("Notice") which presents the IRS's position that the gain on the Chicago Cubs Transactions (as defined and described in Note 6 to our audited consolidated financial statements for the year ended December 31, 2018) should have been included in our 2009 taxable income. Accordingly, the IRS has proposed a $182 million tax and a $73 million gross valuation misstatement penalty. After-tax interest on the proposed tax and penalty through March 31, 2019 would be approximately $86 million. We continue to disagree with the IRS's position that the transaction generated a taxable gain in 2009, the proposed penalty and the IRS's calculation of the gain. During the third quarter of 2016, we filed a petition in U.S. Tax Court to contest the IRS's determination We continue to pursue resolution of this disputed tax matter with the IRS. If the gain on the Chicago Cubs Transactions is deemed to be taxable in 2009, we estimate that the federal and state income taxes would be approximately $225 million before interest and penalties Any tax, interest and penalty due will be offset by any tax payments made relating to this transaction subsequent to 2009

As further described in Note 5 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019, on August 21, 2018, Northside Entertainment Holdings LLC (f/k/a Ricketts Acquisition LLC) ("NEH") provided a written notice (the "Call Notice") to us that NEH was exercising its right pursuant to the Amended and Restated Limited Liability Company Agreement of CEV LLC to purchase our 5% membership interest in CEV LLC. We sold our 5% ownership interest in CEV LLC on January 22, 2019 (the "2019 Cubs Sale") for pretax proceeds of $107 5 million and recognized a gain of $86 million before taxes ($66 million after taxes) in the first quarter of 2019 As a result of the sale, the previously recorded deferred tax liability of $69 million related to the future recognition of taxable income related to the Chicago Cubs Transactions became currently payable Subsequent to the sale, we no longer own any portion of CEV LLC and maintain no deferred taxes or tax reserves related to the Chicago Cubs Transactions As of March 31, 2019, we have paid or accrued approximately $167 million of federal and state taxes on the deferred gain and the 2019 Cubs Sale through our regular tax reporting process Concurrently with the sale, we ceased being a guarantor of all debt facilities held by New Cubs LLC. The sale of our ownership interest in CEV LLC has no impact on our dispute with the IRS.

Non-Operating Items

Non-operating items were as follows (in thousands)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Gain on investment transactions	86,272	3,888
Other non-operating (loss) gain, net	(1,623)	117
Total non-operating gain, net	$ 84,649	$ 4,005

Non-operating items for the three months ended March 31, 2019 included a pretax gain of $86 million from the sale of our ownership interest in CEV LLC on January 22, 2019

Non-operating items for the three months ended March 31, 2018 included a pretax gain of $4 million from the sale of one of our other equity investments

RESULTS OF OPERATIONS

CONSOLIDATED

Consolidated operating results for the three months ended March 31, 2019 and March 31, 2018 are shown in the table below (in thousands):

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Operating revenues	$ 454,988	$ 443,635	+3 %
Operating profit	$ 54,703	$ 187,285	-71 %
Income on equity investments, net	$ 45,685	$ 39,137	+17 %
Net income attributable to Tribune Media Company	$ 113,208	$ 141,189	-20 %

Operating Revenues and Operating Profit (Loss)—Consolidated operating revenues and operating profit (loss) by business segment were as follows (in thousands)

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Operating revenues			
Television and Entertainment	$ 453,427	$ 440,702	+3 %
Corporate and Other	1,561	2,933	-47 %
Total operating revenues	$ 454,988	$ 443,635	+3 %
Operating profit (loss)			
Television and Entertainment	$ 79,925	$ 211,852	-62 %
Corporate and Other	(25,222)	(24,567)	+3 %
Total operating profit (loss)	$ 54,703	$ 187,285	-71 %

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Consolidated operating revenues increased 3%, or $11 million, in the three months ended March 31, 2019 primarily due to an increase at Television and Entertainment driven by higher retransmission revenues. Consolidated operating profit decreased $133 million to $55 million in the three months ended March 31, 2019, from $187 million in the three months ended March 31, 2018. The decrease was primarily driven by a decline at Television and Entertainment as operating profit in the first quarter of 2018 included a net pretax gain of $133 million on the sales of spectrum.

Operating Expenses—Consolidated operating expenses for the three months ended March 31, 2019 and March 31, 2018 were as follows (in thousands):

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Programming	$ 119,887	$ 100,741	+19 %
Direct operating expenses	99,163	101,388	-2 %
Selling, general and administrative	133,262	131,956	+1 %
Depreciation	12,952	13,775	-6 %
Amortization	35,021	41,687	-16 %
Gain on sales of spectrum	—	(133,197)	-100 %
Total operating expenses	$ 400,285	$ 256,350	+56 %

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Programming expense, which represented 26% of revenues for the three months ended March 31, 2019 compared to 23% for the three months ended March 31, 2018, increased 19%, or $19 million, primarily due to increased network affiliate fees, partially offset by lower amortization of license fees. Network affiliate fees increased by $26 million mainly due to the renewal of network affiliation agreements in eight markets with FOX during the third quarter of 2018. The decline in amortization of license fees of $7 million was primarily driven by lower syndication costs.

Direct operating expenses, which represented 22% of revenues for the three months ended March 31, 2019 and 23% for the three months ended March 31, 2018, decreased 2%, or $2 million, primarily due to a $2 million decrease in other expenses driven by a decline in rent expense.

Selling, general and administrative ("SG&A") expenses, which represented 29% of revenues for the three months ended March 31, 2019 and 30% for the three months ended March 31, 2018, increased 1%, or $1 million, primarily due to higher compensation expense, partially offset by lower other expense. Compensation expense increased 6%, or $4 million, primarily due to increases in direct pay and benefits as well as severance expense. Other expenses decreased 6%, or $3 million, largely due to the receipt of $4 million of spectrum repack reimbursements in the first quarter of 2019.

Depreciation expense decreased 6%, or $1 million, for the three months ended March 31, 2019. Amortization expense decreased 16%, or $7 million, for the three months ended March 31, 2019 due to the absence of amortization expense for certain network affiliation agreement intangible assets that were fully amortized at December 31, 2018.

Gain on sales of spectrum of $133 million for the three months ended March 31, 2018 relates to licenses sold in the FCC spectrum auction for which the spectrum of these television stations was surrendered in January 2018, as further described in Note 8 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019.

TELEVISION AND ENTERTAINMENT

Operating Revenues and Operating Profit—The table below presents Television and Entertainment operating revenues, operating expenses and operating profit for the three months ended March 31, 2019 and March 31, 2018 (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Operating revenues	$ 453,427	$ 440,702	+3 %
Operating expenses	373,502	228,850	+63 %
Operating profit	$ 79,925	$ 211,852	-62 %

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Television and Entertainment operating revenues increased 3%, or $13 million, in the three months ended March 31, 2019 largely due to an increase in retransmission revenues, as further described below.

Television and Entertainment operating profit decreased 62%, or $132 million, in the three months ended March 31, 2019 mainly due to the absence of the net pretax gain of $133 million related to licenses sold in the FCC spectrum auction recorded in the first quarter of 2018, as described above, and a $19 million increase in programming expense, partially offset by a $13 million increase in revenue as well as a $7 million decrease in amortization expense, as further described below.

Operating Revenues—Television and Entertainment operating revenues, by classification, for the three months ended March 31, 2019 and March 31, 2018 were as follows (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Advertising	$ 269,889	$ 270,439	— %
Retransmission revenues	132,860	118,142	+12 %
Carriage fees	41,139	41,662	-1 %
Other	9,539	10,459	-9 %
Total operating revenues	$ 453,427	$ 440,702	+3 %

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Advertising Revenues—Advertising revenues, net of agency commissions, were flat for the three months ended March 31, 2019 as a $5 million decrease in political advertising revenue was offset by a $3 million increase in core advertising revenue (comprised of local and national advertising, excluding political and digital) and a $2 million increase in digital revenue. The increase in core advertising revenue was primarily due to an increase in revenues associated with airing the Super Bowl on six CBS-affiliated stations in 2019 compared to two NBC-affiliated stations in 2018, and advertising revenues in 2018 for non-NBC affiliated stations were negatively impacted by the 2018 Winter Olympics. Political advertising revenues, which are a component of total advertising revenues, were approximately $4 million for the three months ended March 31, 2019 compared to $9 million for the three months ended March 31, 2018, as 2018 was an election year.

Retransmission Revenues—Retransmission revenues increased 12%, or $15 million, in the three months ended March 31, 2019 primarily due to a $21 million increase from higher rates included in retransmission consent renewals of our MVPD agreements, partially offset by a decrease in the number of subscribers.

Carriage Fees—Carriage fees were flat in the three months ended March 31, 2019 as rate increases were offset by a decrease in the number of subscribers

Other Revenues—Other revenues are primarily derived from trade revenue, profit sharing, revenue on syndicated content and copyright royalties. Other revenues decreased 9%, or $1 million, in the three months ended March 31, 2019

Operating Expenses—Television and Entertainment operating expenses for the three months ended March 31, 2019 and March 31, 2018 were as follows (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Compensation	$ 136,428	$ 133,732	+2 %
Programming	119,887	100,741	+19 %
Depreciation	11,062	10,870	+2 %
Amortization	35,021	41,687	-16 %
Other	71,104	75,017	-5 %
Gain on sales of spectrum	—	(133,197)	-100 %
Total operating expenses	$ 373,502	$ 228,850	+63 %

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Television and Entertainment operating expenses were up 63%, or $145 million, in the three months ended March 31, 2019 compared to the prior year period largely due to the net pretax gain of $133 million in the first quarter of 2018 related to licenses sold in the FCC spectrum auction, a $19 million increase in programming expenses and a $3 million increase in compensation expense, partially offset by a $7 million decline in amortization expense and a $4 million decline in other expense, as further described below

Compensation Expense—Compensation expense, which is included in both direct operating expenses and SG&A expense, increased 2%, or $3 million, in the three months ended March 31, 2019 primarily due to increases in direct pay and benefits as well as severance expense

Programming Expense—Programming expense increased 19%, or $19 million, in the three months ended March 31, 2019 The increase was primarily due to increased network affiliate fees, partially offset by lower amortization of license fees. Network affiliate fees increased by $26 million mainly due to the renewal of network affiliation agreements in eight markets with FOX during the third quarter of 2018, along with other contractual increases The decline in amortization of license fees of $7 million is primarily driven by lower syndicated programming costs

Depreciation and Amortization Expense—Depreciation expense was flat for the three months ended March 31, 2019 Amortization expense decreased 16%, or $7 million, in the three months ended March 31, 2019 due to the absence of amortization expense for certain network affiliation agreement intangible assets that were fully amortized at December 31, 2018.

Other Expenses—Other expenses include sales and marketing, occupancy, outside services and other miscellaneous expenses, which are included in direct operating expenses or SG&A expense, as applicable. Other expenses decreased 5%, or $4 million, in the three months ended March 31, 2019 primarily due to $4 million of spectrum repack reimbursements

Gain on Sales of Spectrum—In the three months ended March 31, 2018, we recorded a net pretax gain of $133 million related to licenses sold in the FCC spectrum auction for which the spectrum of these television stations was surrendered in January 2018, as further described in Note 8 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019.

CORPORATE AND OTHER

Operating Revenues and Expenses—Corporate and Other operating revenues and expenses for the three months ended March 31, 2019 and March 31, 2018 were as follows (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Real estate revenues	$ 1,561	$ 2,933	-47 %
Operating Expenses			
Real estate	$ 1,466	$ 2,231	-34 %
Corporate (1)	25,317	25,269	— %
Total operating expenses	$ 26,783	$ 27,500	-3 %

(1) Corporate operating expenses included $2 million of depreciation expense for both the three months ended March 31, 2019 and March 31, 2018

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018

Real Estate Revenues—Real estate revenues decreased 47%, or $1 million, in the three months ended March 31, 2019 primarily due to the loss of revenue from real estate properties sold in 2018.

Real Estate Expenses—Real estate expenses decreased 34%, or less than $1 million, in the three months ended March 31, 2019 primarily resulting from a reduction in compensation expense and due to real estate properties sold in 2018.

Corporate Expenses—Corporate expenses were flat for the three months ended March 31, 2019 as a $1 million increase in compensation expense was offset by decreases in depreciation and other expense

INCOME ON EQUITY INVESTMENTS, NET

Income on equity investments, net was as follows (in thousands)

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Income on equity investments, net, before amortization of basis difference	$ 58,154	$ 51,606	+13%
Amortization of basis difference (1)	(12,469)	(12,469)	—%
Income on equity investments, net	$ 45,685	$ 39,137	+17%

(1) See Note 5 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019 for the discussion of the amortization of basis difference

Income on equity investments, net increased 17%, or $7 million, in the three months ended March 31, 2019 due to higher equity income from TV Food Network

Cash distributions from our equity method investments were as follows (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Cash distributions from equity investments	$ 153,082	$ 115,137	+33%

Cash distributions from TV Food Network increased 33%, or $38 million, in the three months ended March 31, 2019. The increase was due to stronger operating performance as well as timing as cash distributions in 2018 to cover our taxes on our share of partnership income were lower based on the reduction in rates from the Tax Cuts and Jobs Act enacted in late 2017.

INTEREST INCOME, INTEREST EXPENSE AND INCOME TAX EXPENSE

Interest income, interest expense and income tax expense were as follows (in thousands).

	Three Months Ended		
	March 31, 2019	March 31, 2018	Change
Interest income	$ 6,247	$ 1,898	*
Interest expense	$ 43,615	$ 40,631	+7 %
Income tax expense	$ 37,777	$ 56,702	-33 %

* Represents positive or negative change equal to, or in excess of 100%

Interest Income—Increase in interest income of $4 million in the three months ended March 31, 2019 was primarily due to higher interest rates and a higher average outstanding balance of cash and cash equivalents during the three months ended March 31, 2019 as compared to the prior year period.

Interest Expense—Interest expense for each of the three months ended March 31, 2019 and March 31, 2018 includes amortization of debt issuance costs of $2 million.

Income Tax Expense—In the three months ended March 31, 2019, we recorded income tax expense of $38 million The effective tax rate on pretax income was 25.0% for the three months ended March 31, 2019. The rate differs from the U.S federal statutory rate of 21% due to state income taxes (net of federal benefit), non-deductible executive compensation, certain transaction costs and other expenses not fully deductible for tax purposes, a $2 million benefit related to stock-based compensation, a $3 million benefit resulting from a change in our state tax rates, and a $2 million charge related to the resolution of federal and state income tax matters and other adjustments

In the three months ended March 31, 2018, we recorded income tax expense of $57 million The effective tax rate on pretax income was 28 7% The rate differs from the U S federal statutory rate of 21% due to state income taxes (net of federal benefit), non-deductible executive compensation, certain transaction costs and other expenses not fully deductible for tax purposes, and a net $2 million charge related primarily to the write-off of unrealized deferred tax assets related to stock-based compensation

Although we believe our estimates and judgments are reasonable, the resolutions of our income tax matters are unpredictable and could result in income tax liabilities that are significantly higher or lower than that which has been provided by us.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows generated from operating activities is our primary source of liquidity. We expect to fund capital expenditures, acquisitions, interest and principal payments on our indebtedness, income tax payments, potential payments related to our uncertain tax positions, dividend payments on our Common Stock (see "—Cash Dividends" below) and related distributions to holders of Warrants and other operating requirements in the next twelve months through a combination of cash flows from operations, cash on our balance sheet, distributions from or sales of our investments, sales of real estate assets, available borrowings under our Revolving Credit Facility, and any refinancings thereof, additional debt financing, if any, and disposals of assets or operations if any We intend to continue to maximize the monetization of our real estate portfolio to take advantage of robust market conditions although there can be no assurance that any such divestiture can be completed in a timely manner, on favorable terms or at all. The Nexstar Merger Agreement for the proposed Nexstar Merger places certain limitations on our use of cash, including our application of cash to repurchase shares of our Common Stock, our ability to declare any dividends other than quarterly cash dividends of $0.25 or less per share, our ability to make certain capital expenditures (except pursuant to our capital expenditures budget), and our ability to pursue significant business acquisitions.

For our long-term liquidity needs, in addition to these sources, we may rely upon the issuance of long-term debt, the issuance of equity or other instruments convertible into or exchangeable for equity, or the sale of non-core assets

Our financial and operating performance remains subject to prevailing economic and industry conditions and to financial, business and other factors, some of which are beyond our control and, despite our current liquidity position, no assurances can be made that cash flows from operations and investments, future borrowings under the Revolving Credit Facility, and any refinancings thereof, or dispositions of assets or operations will be sufficient to satisfy our future liquidity needs

Sources and Uses

The table below details the total operating, investing and financing activity cash flows for the three months ended March 31, 2019 and March 31, 2018 (in thousands).

	Three Months Ended			
	March 31, 2019		March 31, 2018	
Net cash provided by operating activities	$	157,511	$	157,395
Net cash provided by (used in) investing activities		96,847		(9,767)
Net cash used in financing activities		(23,150)		(26,834)
Net increase in cash, cash equivalents and restricted cash	$	231,208	$	120,794

Operating activities

Net cash provided by operating activities for the three months ended March 31, 2019 was $158 million compared to $157 million for the three months ended March 31, 2018. Cash provided by operating activities was essentially flat as unfavorable working capital changes and lower cash flows from operating results were offset by higher distributions from our equity investments. Distributions from our equity investments were $153 million for the three months ended March 31, 2019 compared to $115 million for the three months ended March 31, 2018.

Investing activities

Net cash provided by investing activities totaled $97 million for the three months ended March 31, 2019 Our capital expenditures in the three months ended March 31, 2019 totaled $13 million and included $5 million related to the FCC spectrum repacking project In the three months ended March 31, 2019, we received net proceeds of $107 5 million from the 2019 Cubs Sale and $4 million of repack reimbursements from the FCC

A majority of our remaining capital expenditures for the FCC spectrum repacking are expected to occur in 2019. Through March 31, 2019, we have incurred $32 million in capital expenditures for the spectrum repack, of which $15 million has been reimbursed by the FCC. We expect that the reimbursements from the FCC's special fund will cover the majority of our capital costs and expenses related to the repacking However, we cannot currently predict the effect of the repacking, whether the special fund will be sufficient to reimburse all of our expenses related to the repacking, the timing of reimbursements or any spectrum-related FCC regulatory action.

Net cash used in investing activities totaled $10 million for the three months ended March 31, 2018 Our capital expenditures in the three months ended March 31, 2018 totaled $14 million and included $3 million related to the

FCC spectrum repacking project. In the three months ended March 31, 2018, we received net proceeds of $4 million related to the sales of investments

Financing activities

Net cash used in financing activities was $23 million for the three months ended March 31, 2019 During the three months ended March 31, 2019, we paid quarterly cash dividends of $22 million and paid $8 million of tax withholdings related to net share settlements of share-based awards while receiving proceeds of $7 million from stock option exercises.

Net cash used in financing activities was $27 million for the three months ended March 31, 2018 During the three months ended March 31, 2018, we paid dividends of $22 million and paid $5 million of tax withholdings related to net share settlement of share-based awards

Debt

Our debt consisted of the following (in thousands).

	March 31, 2019		December 31, 2018	
Term Loan Facility				
Term B Loans due 2020, effective interest rate of 3 84%, net of unamortized discount and debt issuance costs of $1,111 and $1,268	$	188,514	$	188,357
Term C Loans due 2024, effective interest rate of 3.85%, net of unamortized discount and debt issuance costs of $17,441 and $18,305		1,648,451		1,647,587
5.875% Senior Notes due 2022, net of debt issuance costs of $9,174 and $9,861		1,090,826		1,090,139
Total debt	$	2,927,791	$	2,926,083

Secured Credit Facility—At both March 31, 2019 and December 31, 2018, our secured credit facility (the "Secured Credit Facility") consisted of a term loan facility (the "Term Loan Facility"), under which $1.666 billion of term C loans (the "Term C Loans") and $190 million of term B loans (the "Term B Loans") were outstanding. At both March 31, 2019 and December 31, 2018, there were no borrowings outstanding under our $338 million revolving credit facility (the "Revolving Credit Facility"); however, there were standby letters of credit outstanding of $20 million, primarily in support of our workers' compensation insurance programs. See Note 7 to our audited consolidated financial statements for the year ended December 31, 2018 for further information and significant terms and conditions associated with the Term Loan Facility and the Revolving Credit Facility, including, but not limited to, interest rates, repayment terms, fees, restrictions and affirmative and negative covenants. The proceeds of the Revolving Credit Facility are available for working capital and other purposes not prohibited under the Secured Credit Facility

5.875% Senior Notes due 2022—On June 24, 2015, we issued $1.100 billion aggregate principal amount of our 5.875% Senior Notes due 2022, which we exchanged for substantially identical securities registered under the Securities Act of 1933, as amended, on May 4, 2016 (the "Notes") The Notes bear interest at a rate of 5 875% per annum and interest is payable semi-annually in arrears on January 15 and July 15 The Notes mature on July 15, 2022

Repurchases of Equity Securities

On February 24, 2016, the Board of Directors (the "Board") authorized a stock repurchase program, under which we may repurchase up to $400 million of our outstanding Class A Common Stock Under the stock repurchase program, we may repurchase shares in open-market purchases in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Securities Exchange Act of 1934, as amended The repurchase program may be suspended or discontinued at any time. We did not repurchase any shares of Common Stock during 2018 and did not make any share repurchases during the three months ended March 31, 2019 due to restrictions contained in the now terminated Sinclair Merger Agreement and the Nexstar Merger Agreement As of March 31, 2019, the remaining authorized amount under the current authorization totaled approximately $168 million

Cash Dividends

The Board declared quarterly cash dividends on Common Stock to holders of record of Common Stock and Warrants as follows (in thousands, except per share data)

	2019		2018	
	Per Share	Total Amount	Per Share	Total Amount
First quarter	$ 0 25	$ 22,061	$ 0 25	$ 21,922

On May 1, 2019, the Board declared a quarterly cash dividend on Common Stock of $0 25 per share to be paid on June 4, 2019 to holders of record of Common Stock and Warrants as of May 20, 2019

The declaration of any future dividends and the establishment of the per share amount, record dates and payment dates for any such future dividends are at the discretion of the Board and will depend upon various factors then existing, including our earnings, financial condition, results of operations, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends (including the restricted payment covenant contained in the credit agreement governing the Secured Credit Facility and the indenture governing the Notes, as further described in Note 6 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019), restrictions imposed by applicable law, general business conditions and other factors that our Board may deem relevant. Under the Nexstar Merger Agreement, we may not pay dividends other than quarterly cash dividends of $0 25 or less per share. In addition, pursuant to the terms of the Warrant Agreement, concurrently with any cash dividend made to holders of our Common Stock, holders of Warrants are entitled to receive a cash payment equal to the amount of the dividend paid per share of Common Stock for each Warrant held

Off-Balance Sheet Arrangements

As further described in Note 5 of our unaudited condensed consolidated financial statements for the three months ended March 31, 2019, we sold our 5% ownership interest in CEV LLC on January 22, 2019. Concurrently with the sale, we ceased being a guarantor of all debt facilities held by New Cubs LLC.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

New Accounting Standards—See Note 1 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019 for a discussion of new accounting guidance and the Company's adoption of certain accounting standards in 2019.

We have updated our lease accounting policies in conjunction with our adoption of Topic 842 as further described in Note 1 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019. See Note 1 for additional information on the key judgments and estimates related to lease accounting under the new policy. Except for the adoption of Topic 842, there were no other changes to critical accounting policies and estimates from those disclosed in "Part II Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" of our 2018 Annual Report

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the quantitative and qualitative discussion about market risk previously disclosed in our audited consolidated financial statements for the year ended December 31, 2018

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information we are required to disclose in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms such that information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act, as of March 31, 2019 Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective as of March 31, 2019

Our management concluded that our consolidated financial statements in this report fairly present, in all material respects, the Company's financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with generally accepted accounting principles ("GAAP")

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting that occurred during the quarter ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to various legal proceedings and claims that have arisen in the ordinary course of business The legal entities comprising our operations are defendants from time to time in actions for matters arising out of their business operations. In addition, the legal entities comprising our operations are involved from time to time as parties in various regulatory, environmental and other proceedings with governmental authorities and administrative agencies

On December 31, 2012, the Debtors that had filed voluntary petitions for relief under Chapter 11 in the Bankruptcy Court on December 8, 2008 (or on October 12, 2009, in the case of Tribune CNLBC, LLC) emerged from Chapter 11. The Company and certain of the other legal entities included in our unaudited condensed consolidated financial statements for the three months ended March 31, 2019 were Debtors or, as a result of the restructuring transactions undertaken at the time of the Debtors' emergence, are successor legal entities to legal entities that were Debtors The Bankruptcy Court has entered final decrees that have collectively closed 106 of the Debtors' Chapter 11 cases. The remaining Debtors' Chapter 11 cases have not yet been closed by the Bankruptcy Court, and certain claims asserted against the Debtors in the Chapter 11 cases remain unresolved As a result, we expect to continue to incur certain expenses pertaining to the Chapter 11 proceedings in future periods, which may be material. See Note 10 to our audited consolidated financial statements for the year ended December 31, 2018 for further information.

As further described in Note 11 to our audited consolidated financial statements for the year ended December 31, 2018, on June 28, 2016, the IRS issued to us a Notice of Deficiency ("Notice") which presents the IRS's position that the gain on the Chicago Cubs Transactions (as defined and described in Note 6 to our audited consolidated financial statements for the year ended December 31, 2018) should have been included in our 2009 taxable income. Accordingly, the IRS has proposed a $182 million tax and a $73 million gross valuation misstatement penalty. After-tax interest on the proposed tax and penalty through March 31, 2019 would be approximately $86 million. We continue to disagree with the IRS's position that the transaction generated a taxable gain in 2009, the proposed penalty and the IRS's calculation of the gain During the third quarter of 2016, we filed a petition in U S Tax Court to contest the IRS's determination. We continue to pursue resolution of this disputed tax matter with the IRS If the gain on the Chicago Cubs Transactions is deemed to be taxable in 2009, we estimate that the federal and state income taxes would be approximately $225 million before interest and penalties Any tax, interest and penalty due will be offset by any tax payments made relating to this transaction subsequent to 2009

As further described in Note 5 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019, on August 21, 2018, NEH provided the Call Notice to us that NEH was exercising its right pursuant to the Amended and Restated Limited Liability Company Agreement of CEV LLC to purchase our 5% membership interest in CEV LLC We sold our 5% ownership interest in CEV LLC on January 22, 2019 for pretax proceeds of $107.5 million and recognized a gain of $86 million before taxes ($66 million after taxes) in the first quarter of 2019. As a result of the sale, the previously recorded deferred tax liability of $69 million related to the future recognition of taxable income related to the Chicago Cubs Transactions became currently payable Subsequent to the sale, we no longer own any portion of CEV LLC, and we maintain no deferred taxes or tax reserves related to the Chicago Cubs Transactions. As of March 31, 2019, we have paid or accrued approximately $167 million of federal and state taxes on the deferred gain and the 2019 Cubs Sale through our regular tax reporting process The sale of our ownership interest in CEV LLC has no impact on our dispute with the IRS.

Our liability for unrecognized tax benefits totaled $22 million and $21 million at March 31, 2019 and December 31, 2018, respectively.

Starting in July 2018, a series of plaintiffs filed putative class action lawsuits against us, Tribune Broadcasting Company, Sinclair, and other named and unnamed defendants (collectively, the "Defendants") alleging that the Defendants coordinated their pricing of television advertising, thereby harming a proposed class of all buyers of television advertising time from one or more of the Defendants since at least January 1, 2014 The plaintiff in each lawsuit seeks injunctive relief and money damages caused by the alleged antitrust violations. Currently, twenty-two lawsuits have been filed, and were consolidated in the Northern District of Illinois Lead counsel for the plaintiffs was appointed on January 23, 2019. The plaintiffs then filed an amended, consolidated complaint on April 3, 2019 We believe the above lawsuits are without merit and intend to defend them vigorously.

On August 9, 2018, we filed the Complaint in the Chancery Court of the State of Delaware against Sinclair, alleging that Sinclair willfully and materially breached its obligations under the Sinclair Merger Agreement to use its reasonable best efforts to promptly obtain regulatory approval of the Sinclair Merger so as to enable the Sinclair Merger to close as soon as reasonably practicable The lawsuit seeks damages for all losses incurred as a result of Sinclair's breach of contract under the Sinclair Merger Agreement. On August 29, 2018, Sinclair filed an answer to our Complaint and the Counterclaim The Counterclaim alleges that we materially and willfully breached the Sinclair Merger Agreement by failing to use reasonable best efforts to obtain regulatory approval of the Sinclair Merger. On September 18, 2018, we filed an answer to the Counterclaim. We believe the Counterclaim is without merit and intend to defend it vigorously

On September 10, 2018, The Arbitrage Event-Driven Fund filed a putative securities class action complaint (the "Securities Complaint") against us and members of our senior management in the United States District Court for the Northern District of Illinois The Securities Complaint alleges that Tribune Media Company and its senior management violated Sections 10(b) and 20(a) of the Exchange Act by misrepresenting and omitting material facts concerning Sinclair s conduct during the Sinclair Merger approval process On December 18, 2018, the Court appointed The Arbitrage Event-Driven Fund and related entities as Lead Plaintiffs. On January 31, 2019, Lead Plaintiffs and two other named plaintiffs filed an amended complaint (the "Amended Complaint"). The Amended Complaint eliminates the claim under Section 20(a) of the Exchange Act and adds a claim under Section 11 of the

Securities Act related to a November 29, 2017 public offering of our Class A Common Stock by Oaktree Tribune, L P ("Oaktree"). The Amended Complaint also names certain members of the Board of Directors of Tribune Media Company as defendants The Amended Complaint also includes claims against Oaktree, Oaktree Capital Management, L.P. and Morgan Stanley & Co, LLC The lawsuit is purportedly brought on behalf of purchasers of our Class A Common Stock between November 29, 2017 and July 16, 2018, contemporaneously with Oaktree's sales in the November 29, 2017 public offering or pursuant or traceable to that offering Plaintiffs seek damages in an amount to be determined at trial. On March 29, 2019, the Company and the individual Tribune Media Company defendants filed a motion to dismiss the Amended Complaint The Court has set a deadline of May 10, 2019 for the Plaintiffs to file their opposition brief and June 7, 2019 for the Company and the individual Tribune Media Company defendants to file a reply We believe this lawsuit is without merit and intend to defend it vigorously

We do not believe that any other matters or proceedings presently pending will have a material adverse effect, individually or in the aggregate, on our consolidated financial position, results of operations or liquidity. However, legal matters and proceedings are inherently unpredictable and subject to significant uncertainties, some of which are beyond our control. As such, there can be no assurance that the final outcome of these matters and proceedings will not materially and adversely affect our consolidated financial position, results of operations or liquidity

ITEM 1A. RISK FACTORS

We discuss in our filings with the SEC various risks that may materially affect our business The materialization of any risks and uncertainties identified in forward-looking statements contained in this report together with those previously disclosed in our 2018 Annual Report and our other filings with the SEC or those that are presently unforeseen could result in significant adverse effects on our financial condition, results of operations and cash flows. See "Part I, Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward-looking Statements "

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

No Warrants were exercised for Class A Common Stock or for Class B Common Stock during the three months ended March 31, 2019 As further described in Note 11 to our unaudited condensed consolidated financial statements for the three months ended March 31, 2019, 30,551 Warrants remain outstanding as of March 31, 2019. The Warrants are exercisable at the holder's option into Class A Common Stock, Class B Common Stock, or a combination thereof, at an exercise price of $0.001 per share or through "cashless exercise," whereby the number of shares to be issued to the holder is reduced, in lieu of a cash payment for the exercise price.

The issuance of shares of Class A Common Stock and Class B Common Stock upon exercise of the Warrants is exempt from the registration requirements of Section 5 of the Securities Act pursuant to Section 1145 of the Bankruptcy Code, which generally exempts distributions of securities in connection with plans of reorganization The issuance of the Warrants does not involve underwriters, underwriting discounts or commissions

Repurchases of Equity Securities

During the three months ended March 31, 2019, we did not make any share repurchases pursuant to the 2016 Stock Repurchase Program, as further described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Repurchases of Equity Securities." As of March 31, 2019, the remaining authorized amount under the current authorization totaled $168 million The Nexstar Merger Agreement prohibits us from engaging in additional share repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1	Section 1350 Certification
32.2	Section 1350 Certification
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized on May 10, 2019.

TRIBUNE MEDIA COMPANY

By:	/s/ Chandler Bigelow
Name:	Chandler Bigelow
Title:	Executive Vice President and Chief Financial Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
for the fiscal year ended December 31, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
for the transition period from to .

Commission File Number: 000-50478

NEXSTAR MEDIA GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State of Organization or Incorporation)	**23-3083125** (I.R.S. Employer Identification No.)
545 E. John Carpenter Freeway, Suite 700, Irving, Texas (Address of Principal Executive Offices)	**75062** (Zip Code)

(972) 373-8800
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	NASDAQ Global Select Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that it was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes ☒ No ☐

Indicate by checkmark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232 405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files) Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229 405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one)

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of June 30, 2018, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was $3,210,723,476

As of February 26 2019, the Registrant had 45,745,692 shares of Class A Common Stock outstanding

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Registrant's 2019 Annual Meeting of Stockholders will be filed with the Commission within 120 days after the close of the Registrant's fiscal year and incorporated by reference in Part III of this Annual Report on Form 10-K

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General

As used in this Annual Report on Form 10-K and unless the context indicates otherwise, "Nexstar" refers to Nexstar Media Group, Inc and its consolidated subsidiaries; "Nexstar Broadcasting" refers to Nexstar Broadcasting, Inc our wholly-owned direct subsidiary, "Nexstar Digital" refers to Nexstar Digital LLC, our wholly-owned direct subsidiary, the "Company" refers to Nexstar and the variable interest entities ("VIEs") required to be consolidated in our financial statements, and all references to "we," "our" "ours," and "us" refer to Nexstar

Nexstar Broadcasting has time brokerage agreements ("TBAs"), shared services agreements ("SSAs"), joint sales agreements ("JSAs"), local marketing agreements ("LMAs") and outsourcing agreements (which we generally and collectively refer to as "local service agreements") relating to the television stations owned by VIEs but does not own any of the equity interests in these entities For a description of the relationship between Nexstar and these VIEs, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The information in this Annual Report on Form 10-K includes information related to Nexstar and its consolidated subsidiaries It also includes information related to VIEs with whom Nexstar has relationships In accordance with accounting principles generally accepted in the United States ("U S GAAP") and as discussed in Note 2 to our Consolidated Financial Statements, the financial results of the consolidated VIEs are included in the Consolidated Financial Statements contained herein

In the context of describing ownership of television stations in a particular market, the term "duopoly" refers to owning or deriving the majority of the economic benefit, through ownership or local service agreements, from two or more stations in a particular market For more information on how we derive economic benefit from a duopoly, see Item 1, "Business"

There are 210 generally recognized television markets, known as Designated Market Areas ("DMAs"), in the United States DMAs are ranked in size according to various factors based upon actual or potential audience. DMA rankings contained in this Annual Report on Form 10-K are from *Investing in Television Market Report 2018 4th Edition*, as published by BIA Financial Network, Inc

Reference is made in this Annual Report on Form 10-K to the following trademarks/tradenames which are owned by the third parties referenced in parentheses: *Two and a Half Men* (Warner Bros. Domestic Television) and *Entertainment Tonight* (CBS Television Distribution).

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act") All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections or expectations of earnings, revenue, financial performance, liquidity and capital resources or other financial items, any assumptions or projections about the television broadcasting industry, any statements of our plans, strategies and objectives for our future operations, performance, liquidity and capital resources or other financial items, any statements concerning proposed new products, services or developments, any statements regarding future economic conditions or performance; any statements of belief, and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "should," "could," "would," "predicts" "potential," "continue," "expects," "anticipates," "future," "intends," "plans" "believes," "estimates" and other similar words

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ from a projection or assumption in any of our forward-looking statements Our future financial position and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties discussed under Item 1A, "Risk Factors" located elsewhere in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission ("SEC") The forward-looking statements made in this Annual Report on Form 10-K are made only as of the date hereof, and we do not have or undertake any obligation to update any forward-looking statements to reflect subsequent events or circumstances

PART I

Item 1. Business

Overview

We are a television broadcasting and digital media company focused on the acquisition, development and operation of television stations and interactive community websites and digital media services in 100 designated market areas throughout the United States

As of December 31, 2018, we owned, operated, programmed or provided sales and other services to 174 full power television stations, including those owned by VIEs, in 100 markets in the states of Alabama, Arizona, Arkansas California, Colorado Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia and Wisconsin. The stations are affiliates of ABC, NBC, FOX, CBS, The CW, MNTV and other broadcast television networks As of December 31, 2018, we reached approximately 42.7 million, or 38 8%, of all U S television households

The stations we own and operate or provide services to provide free over-the-air programming to our markets' television viewing audiences This programming includes (a) programs produced by networks with which the stations are affiliated, (b) programs that the stations produce, and (c) first-run and rerun syndicated programs that the stations acquire. Our television stations' primary sources of revenue include the sale of commercial air time on our stations to local and national advertisers, the sale of advertising on our websites in each of our broadcast markets where we deliver community focused content, and revenues earned from our retransmission consent agreements with traditional multichannel video programming distributors ("MVPDs"), such as cable and satellite providers, and over-the-top video distributors ("OTTDs") companies that provide video content through internet streaming

Our digital media businesses provide digital publishing and content management platform, digital video advertising platform, social media advertising platform and other digital media solutions to media publishers and advertisers We are focused on new technologies and growing our portfolio of digital products and services complementary to our vision of providing local news, entertainment and sports content through broadcast and digital platforms.

We seek to grow our revenue and operating income by increasing the audience and revenue shares of the stations we own, operate, program or provide sales and other services to, as well as through our growing portfolio of digital products and services We strive to increase the audience share of the stations by creating a strong local broadcasting presence based on highly rated local news local sports coverage and active community sponsorship We seek to improve revenue share by employing and supporting a high-quality local sales force that leverages the stations' strong local brands and community presence with local advertisers We further improve broadcast cash flow by maintaining strict control over operating and programming costs The benefits achieved through these initiatives are magnified in our duopoly markets by owning or providing services to stations affiliated with multiple networks, capitalizing on multiple sales forces and achieving an increased level of operational efficiency As a result of our operational enhancements, we expect revenue from the stations we have acquired or begun providing services to in the last four years to grow faster than that of our more mature stations

We are a Delaware corporation formed in 1996 Our principal offices are at 545 E. John Carpenter Freeway, Suite 700, Irving, TX 75062 Our telephone number is (972) 373-8800 and our website is *http //www nexstar.tv* The information contained on, or accessible through, our website is not part of this Annual Report on Form 10-K and is not incorporated herein by reference

Recent Acquisitions

On January 16, 2018, we acquired the outstanding equity of Likqid Media Inc. ("LKQD"), a video advertising infrastructure company. The purchase price was $97.0 million in cash, including working capital adjustments, of which $94.0 million was paid in January 2018 and the remaining $3.0 million was paid upon final settlement in April 2018. The purchase price was funded by a combination of borrowing under our revolving credit facility and cash on hand.

On July 15, 2018, we entered into a definitive agreement to acquire the assets of the CW affiliated television station WHDF from Huntsville TV, LLC ("Huntsville TV"), for $3.0 million in cash, including working capital adjustments. On July 15, 2018, we completed the first closing of the acquisition and acquired the station's assets excluding certain transmission equipment, Federal Communications Commission ("FCC") licenses and network affiliation agreement for $2.3 million, funded by cash on hand. We completed the second closing on November 9, 2018, acquiring the remaining assets and paying the remaining purchase price of $0.7 million. We provided programming and sales and other services to WHDF pursuant to a TBA from July 15, 2018 until the completion of our acquisition on November 9, 2018.

On August 1, 2018, we entered into a definitive agreement to acquire the assets of the FOX affiliated television station KRBK from KRBK LLC for $17.6 million in cash, including working capital adjustments. On August 1, 2018, we completed the first closing of the acquisition and acquired the station's assets excluding certain transmission equipment, FCC licenses and network affiliation agreement for $15.1 million, funded by cash on hand. We completed the second closing on November 1, 2018, acquiring the remaining assets and paying the remaining purchase price of $2.5 million. We provided programming and sales services to KRBK pursuant to a TBA from August 1, 2018 until the completion of our acquisition on November 1, 2018.

On November 1, 2018, we entered into a definitive agreement to acquire the FCC license, certain transmission equipment and network affiliation agreement of KHII, formerly KFVE, ("KHII") from HITV License Subsidiary, Inc. ("HITV"), the MNTV affiliate serving Honolulu, Hawaii and its satellite stations KGMV serving Wailuku, Hawaii and KGMD serving Hilo, Hawaii. The purchase price is $6.5 million, of which $0.1 million was paid on November 1, 2018. The acquisition received FCC approval on December 17, 2018. We completed the acquisition on January 28, 2019 and paid the remaining purchase price of $6.4 million. Effective November 1, 2018, we began providing programming and sales services to KHII under a TBA until the completion of our acquisition on January 28, 2019.

Merger Agreement with Tribune

On November 30, 2018, we entered into a definitive merger agreement with Tribune Media Company ("Tribune") to acquire Tribune's outstanding equity for $46.50 per share in a cash transaction. All equity-based awards of Tribune that are outstanding prior to the merger will vest in full and will be converted into the right to receive the same cash consideration. The estimated total purchase price is valued at $6.4 billion, consisting of the merger cash consideration and the refinancing of Tribune's outstanding debt. Tribune shareholders will be entitled to additional cash consideration of approximately $0.30 per share per month if the transaction has not closed by August 31, 2019, pro-rated for partial months and less an adjustment for any dividends declared on or after September 1, 2019. Tribune currently owns, operates or provides services to 42 television stations.

The merger agreement contains certain termination rights for both us and Tribune. If the merger agreement is terminated in connection with Tribune entering into a definitive agreement with respect to a superior proposal, as well as under certain other circumstances, the termination fee payable by Tribune to us will be $135 million. If the merger agreement is terminated because the required Tribune stockholder vote is not obtained at a stockholder meeting duly held for such purpose, Tribune will be required to reimburse us for our costs and expenses incurred in connection with the transaction in an amount not to exceed $15 million. Either party may terminate the merger agreement if the merger is not consummated on or before an end date of November 30, 2019, with an automatic extension to February 29, 2020, if necessary to obtain regulatory approval under circumstances specified in the merger agreement.

The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to (i) the approval of the merger by the stockholders of Tribune, (ii) FCC approval, (iii) other regulatory approvals (including expiration of the applicable Hart-Scott-Rodino "HSR" waiting period) and (iv) satisfaction of other customary closing conditions. The merger does not require approval of our stockholders and is not subject to any financing contingency. On November 30, 2018, we received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate the merger and the refinancing of certain of the existing indebtedness of Tribune and related transactions.

In connection with obtaining the HSR approval and the FCC approval, Nexstar agreed to divest one or more television stations in certain DMAs. Those DMAs are: (i) Salt Lake City, UT, (ii) Grand Rapids-Kalamazoo-Battle Creek, MI, (iii) Wilkes Barre-Scranton, PA, (iv) Richmond-Petersburg, VA; (v) Des Moines-Ames, IA, (vi) Norfolk-Portsmouth-Newport News, VA, (vii) Fort Smith-Fayetteville-Springdale-Rogers, AR, (viii) Davenport, IA-Rock Island-Moline, IL, (ix) Memphis, TN, (x) Huntsville-Decatur (Florence), AL; (xi) Indianapolis, IN, (xii) Hartford-New Haven, CT and (xiii) Harrisburg, PA. Nexstar is required to designate one or more Tribune stations or Nexstar stations for divestiture in each DMA. Nexstar has also agreed to designate, at its option, certain additional Tribune stations or Nexstar stations for divestiture and to divest such stations in order to comply with the FCC national cap as required by the FCC in order to obtain approval of and consummate the transactions.

Operating Strategy

We seek to generate revenue and broadcast cash flow growth through the following strategies.

Develop Leading Local Franchises. Each of the stations that we own, operate, program, or provide sales and other services to creates a highly recognizable local brand, primarily through the quality of local news programming and community presence. Based on internally generated analysis, we believe that in over 72.5% of our markets in which we produce local newscasts, we rank among the top two stations in local news viewership. Strong local news typically generates higher ratings among attractive demographic profiles and enhances audience loyalty, which may result in higher ratings for programs both preceding and following the news. High ratings and strong community identity make the stations that we own, operate, program, or provide sales and other services to more attractive to local advertisers. For the year ended December 31, 2018, we earned approximately 37.9% of our advertising revenue from spots aired during local news programming. Currently, our stations and the stations we provide services to that produce local newscasts provide between 15 and 30 hours per week of local news programming. Extensive local sports coverage, active sponsorship of community events and the local news stories our Washington, D.C. bureau focuses on further differentiate us from our competitors and strengthen our community relationships and our local advertising appeal.

Invest in Digital Media. We are focused on new technologies and growing our portfolio of digital products and services. Our station websites provide access to our local news and information, as well as community centric businesses and services. We delivered to audiences across all of our station web sites in 2018, with 199 million unique visitors who utilized over 5.0 billion page views. Also in 2018, our mobile websites and mobile application accounted for 36% and 46%, respectively, of our station websites' overall page views by year end. We have also invested in additional digital media product lines, including a digital video advertising platform acquired in early 2018 and other digital media solutions. We are committed to serving our local markets by providing local content to both online and mobile users wherever and whenever they want.

Emphasize Local Sales. We employ a high-quality local sales force in each of our markets to increase revenue from local advertisers by capitalizing on our investment in local programming and community websites. We believe that local advertising is attractive because our sales force is more effective with local advertisers, giving us a greater ability to influence this revenue source. Additionally, local advertising has historically been a more stable source of revenue than national advertising for television broadcasters. For the year ended December 31, 2018, revenue generated from local advertising represented 73.2% of our consolidated spot revenue (total of local and national advertising revenue, excluding political advertising revenue). In most of our markets, we have increased the size and quality of our local sales force. We also invest in our sales efforts by implementing comprehensive training programs and employing a sophisticated inventory tracking system to help maximize advertising rates and the amount of inventory sold in each time period.

Operate Duopoly Markets. Owning or providing services to more than one station in a given market enables us to broaden our audience share, enhance our revenue share and achieve significant operating efficiencies. Duopoly markets broaden audience share by providing programming from multiple networks with different targeted demographics. These markets increase revenue share by capitalizing on multiple sales forces. Additionally, we achieve significant operating efficiencies by consolidating physical facilities, eliminating redundant management and leveraging capital expenditures between stations. We derived approximately 61.4% of our net revenue, excluding trade revenue, for the year ended December 31, 2018 from our duopoly markets.

Maintain Strict Cost Controls. We emphasize strict controls on operating and programming costs in order to increase broadcast cash flow. We continually seek to identify and implement cost savings at each of our stations and the stations we provide services to and our overall size benefits each station with respect to negotiating favorable terms with programming suppliers and other vendors. By leveraging our size and corporate management expertise, we are able to achieve economies of scale by providing programming, financial, sales and marketing support to our stations and the stations we provide services to.

Capitalize on Diverse Network Affiliations We currently own, operate, program or provide sales and other services to a balanced portfolio of television stations with diverse network affiliations, including ABC, NBC, CBS and FOX affiliated stations which represented approximately 18 3%, 28 8%, 33 0% and 10 2%, respectively, of our 2018 combined local, national and political net revenue The networks provide these stations with quality programming and numerous sporting events such as NBA basketball, Major League baseball, NFL football NCAA sports PGA golf and the Olympic Games Because network programming and ratings change frequently, the diversity of our station portfolio's network affiliations reduces our reliance on the quality of programming from a single network.

Attract and Retain High Quality Management We seek to attract and retain station general managers with proven track records in larger television markets by providing equity incentives not typically offered by other station operators in our markets Most of our station general managers have been granted restricted stock units and stock options and have an average of over 20 years of experience in the television broadcasting industry

Acquisition Strategy

We selectively pursue acquisitions of television stations where we believe we can improve revenue and cash flow through active management When considering an acquisition, we evaluate the target audience share, revenue share, overall cost structure and proximity to our regional clusters Additionally, we seek to acquire or enter into local service agreements with stations to create duopoly markets. We selectively pursue acquisitions of digital properties that leverage our capabilities particularly in video delivery technology and platforms and with a focus on assisting small and medium-sized businesses to effectively reach targeted consumers and achieve effective marketing campaigns

Relationship with VIEs

Through various local service agreements, as of December 31, 2018, we provided sales, programming and other services to 38 full power television stations owned by consolidated VIEs and one full power television station owned by an unconsolidated VIE As of December 31, 2018, all of the VIEs and their stations are 100% owned by independent third parties In compliance with FCC regulations for all the parties, the VIEs maintain complete responsibility for and control over programming, finances, personnel and operations of their stations However, for the consolidated VIEs, we are deemed under U S GAAP to have controlling financial interests in these entities because of (1) the local service agreements Nexstar has with the consolidated VIEs' stations, (2) Nexstar's guarantees of the obligations incurred under Mission Broadcasting, Inc 's ("Mission"), Marshall Broadcasting Group, Inc.'s ("Marshall") and Shield Media LLC's ("Shield") senior secured credit facilities, (3) Nexstar having power over significant activities affecting the consolidated VIEs' economic performance, including budgeting for advertising revenue, certain advertising sales and, in some cases, hiring and firing of sales force personnel and (4) purchase options granted by each consolidated VIE, exclusive of Marshall which permit Nexstar to acquire the assets and assume the liabilities of each of the consolidated VIEs' stations at any time, subject to FCC consent These purchase options are freely exercisable or assignable by Nexstar without consent or approval by the VIEs These option agreements expire on various dates between 2021 and 2028 We expect to renew these option agreements upon expiration Therefore, these VIEs are consolidated into these financial statements

The Stations

The following chart sets forth general information about the television stations (full power, low power and multicast channels) we currently own, operate, program or provide sales and other services to:

Market Rank[1]	Market	Full Power Stations	Primary Affiliation	Low Power Stations / Multicast Channels	Other Affiliation	Status[2]	FCC License Expiration Date[4]
6	DC[3]/Hagerstown, MD	WDVM	IND	WDVM-D2, D3, D4	Grit, Escape, Laff	O&O	10/1/2020
8	San Francisco, CA	KRON[25]	MNTV	KRON-D2, D3 D4	Sky link TV, getTV Grit TV	O&O	12/1/2022
11	Tampa, FL	WFLA	NBC	WFLA-D2, D3	MeTV, Escape	O&O	2/1/2021
		WTTA[24]	MNTV	WTTA-D2	CoziTV	O&O	2/1/2021
13	Phoenix, AZ	KASW	The CW	KASW-D2, D3, D4	HSN, Grit, Escape	O&O	10/1/2022
22	Portland OR	KOIN	CBS	KOIN-D2 D3	getTV, Decades	O&O	2/1/2023
25	Raleigh NC	WNCN[25]	CBS	WNCN-D3, D4	Grit, Escape	O&O	12/1/2020
27	Nashville, TN	WKRN	ABC	WKRN-D2, D3, D4	MeTV, Justice, Grit	O&O	8/1/2021
28	Indianapolis, IN	WISH	The CW	WISH-D2, D3	getTV, Justice	O&O	8/1/2021
		WNDY[24]	MNTV	WNDY-D2	Bounce	O&O	8/1/2021
30	Salt Lake City, UT	KTVX	ABC	KTVX-D2, D3 D4	Me-TV Laff, Heros & Icons	O&O	10/1/2022
		KUCW	The CW	KUCW-D2 D3 D4	Movies! Grit Escape	O&O	10/1/2022
				KUWB-LD	CMT	O&O	10/1/2022
33	New Haven, CT	WTNH	ABC	WTNH-D2	Bounce	O&O	4/1/2023
		WCTX[24]	MNTV	WCTX-D2	Grit	O&O	4/1/2023
34	Columbus, OH	WCMH	NBC	WCMH-D2, D3, D4	MeTV, ION Laff	O&O	10/1/2021
38	Spartanburg, SC	WSPA	CBS	WSPA-D2	ION	O&O	12/1/2020
		WYCW[24]	The CW	WYCW-D2	get TV	O&O	12/1/2020
39	Las Vegas, NV	KLAS	CBS	KLAS-D2, D3	MeTV, Movies	O&O	10/1/2022
40	Austin, TX	KXAN	NBC	KXAN-D2, D3	Cozi TV, ION	O&O	8/1/2022
		KNVA	The CW	KNVA-D2, D3, D4	Grit, Laff, Escape	LSA[6]	8/1/2022
		KBVO	MNTV	KBVO-CD, D2, D3	MNTV, Bounce Heros&Icons	O&O	8/1/2022
				KHPB-CD	The CW	O&O	8/1/2022
41	Harrisburg PA	WHTM	ABC	WHTM-D2 D3, D4 D5	ION getTV Laff, WGCB-TV	O&O	8/1/2023
43	Birmingham, AL	WIAT	CBS	WIAT-D2, D3, D4	Escape, Justice, Laff	O&O	4/1/2021
44	Portsmouth, VA	WAVY	NBC	WAVY-D2, D3, D4	Bounce, getTV, CBN	O&O	10/1/2020
		WVBT	FOX	WVBT-D2, D3	Cozi TV Heroes & Icons	O&O	10/1/2020
47	Albuquerque NM	KRQE	CBS	KRQE-D2 D3	FOX, Bounce	O&O	10/1/2022
		KREZ[20]	CBS	KREZ-D2	getTV	O&O	4/1/2022
		KBIM[20]	CBS	KBIM-D2	FOX	O&O	10/1/2022
		KASY	MNTV	KASY-D2, D3, D4	Escape, getTV, Cozi TV	LSA[10]	10/1/2022
		KRWB	The CW	KRWB-D2	MyNet	LSA[16]	4/1/2021
		KWBQ	The CW	KWBQ-D2, D3, D4	Grit, Laff, ION	LSA[10]	10/1/2022
49	Grand Rapids MI	WOOD	NBC	WOOD-D2, D3	Bounce, Laff	O&O	10/1/2021
		WOTV	ABC	WOTV-D2, D3, D4	getTV, Grit, Weather	O&O	10/1/2021
				WXSP-CD, D2, D3	MNTV, Cozi TV, Escape	O&O	10/1/2021
51	Memphis, TN	WATN	ABC	WATN-D2 D3	Laff Cozi TV	O&O	8/1/2021
		WLMT	The CW	WLMT-D2	MeTV	O&O	8/1/2021
52	Buffalo NY	WNLO	The CW	WNLO-D2, D3, D4	Bounce	O&O	6/1/2023
		WIVB[24]	CBS	WIVB-D4	Laff	O&O	6/1/2023
53	Providence, RI	WPRI	CBS	WPRI-D2, D3, D4	MNTV, Bounce, getTV	O&O	4/1/2023
		WNAC	FOX	WNAC-D2, D3	The CW, Laff	LSA[12]	4/1/2023
54	Fresno CA	KSEE	NBC	KSEE-D2, D3	Bounce Grit	O&O	12/1/2022
		KGPE	CBS	KGPE-D2	Escape	O&O	12/1/2022

Market Rank(1)	Market	Full Power Stations	Primary Affiliation	Low Power Stations / Multicast Channels	Other Affiliation	Status(2)	FCC License Expiration Date(4)
56	Richmond, VA	WRIC	ABC	WRIC-D2, D3, D4	ION, getTV, Laff	O&O	10/1/2020
57	Little Rock, AR	KARK	NBC	KARK-D2, D3	Laff, Grit	O&O	(4)
		KARZ	MNTV	KARZ-D2, D3	Bounce, ION	O&O	6/1/2021
		KLRT	FOX	KLRT-D2	Escape	LSA(5)	6/1/2021
		KASN	The CW			LSA(5)	6/1/2021
58	Mobile, AL	WKRG	CBS	WKRG-D2, D3, D4	ION, MeTV, Laff	O&O	4/1/2021
		WFNA	The CW	WFNA-D2, D3, D4	Bounce, Justice, Grit	O&O	4/1/2021
59	Albany, NY	WTEN	ABC	WTEN-D2, D3, D4	getTV, Justice, Escape	O&O	6/1/2023
		WXXA	FOX	WXXA-D2, D3, D4	OTB-TV, Laff, Bounce	LSA(9)	6/1/2023
60	Knoxville, TN	WATE	ABC	WATE-D2, D3, D4	getTV, Laff, Cozi TV	O&O	8/1/2021
62	Wilkes Barre, PA	WBRE	NBC	WBRE-D2, D3, D4	Laff, Grit, Justice	O&O	8/1/2023
		WYOU	CBS	WYOU-D2, D3, D4	Escape, Bounce, Cozi TV	LSA(5)	8/1/2023
64	Dayton, OH	WDTN	NBC	WDTN-D2, D3	Escape, ION	O&O	10/1/2021
		WBDT(24)	The CW	WBDT-D2	Bounce	LSA(11)	10/1/2021
66	Honolulu, HI	KHON	FOX	KHON-D2, D3, D4	The CW, getTV, Laff	O&O	2/1/2023
		KHAW(21)	FOX			O&O	2/1/2023
		KAII(21)	FOX	KAII-D2	The CW	O&O	2/1/2023
		KGMD(19)	MNTV			O&O	2/1/2023
		KGMV(19)	MNTV			O&O	2/1/2023
		KHII(19)	MNTV			O&O	2/1/2023
67	Green Bay, WI	WFRV	CBS	WFRV-D2	Bounce	O&O	12/1/2021
68	Roanoke, VA	WFXR	FOX	WFXR-D2, D3, D4	The CW, Bounce, Escape	O&O	10/1/2020
		WWCW	The CW	WWCW-D2, D3, D4	FOX, Laff, Grit	O&O	10/1/2020
70	Charleston, WV	WOWK	CBS	WOWK-D2, D3, D4	Escape, Laff, Grit	O&O	10/1/2020
72	Springfield, MO	KOLR	CBS	KOLR-D2, D3, D4	Laff, Grit, CBN	LSA(5)	2/1/2022
		KOZL	MNTV	KOZL-D2, D3	Escape, Bounce	O&O	2/1/2022
		KRBK(18)	FOX	KRBK-D2, D3, D4	MeTV, Movies!, ION	O&O	2/1/2022
75	Des Moines, IA	WOI	ABC	WOI-D2, D3, D4	Laff, Grit, Cozi TV	O&O	2/1/2022
		KCWI	The CW	KCWI-D2, D3, D4	Escape, Bounce, Quest	O&O	2/1/2022
76	Wichita, KS	KSNW	NBC	KSNW-D2, D3, D4	Telemundo, ION, Justice	O&O	6/1/2022
		KSNC(22)	NBC	KSNC-D2, D3	ION, Justice	O&O	6/1/2022
		KSNG(22)	NBC	KSNG-D2	Telemundo	O&O	6/1/2022
		KSNK(22)	NBC			O&O	6/1/2022
				KSNL-LD	NBC	O&O	6/1/2022
78	Brownsville, TX	KVEO	NBC	KVEO-D2, D3, D4	Estrella, Escape, Grit	O&O	8/1/2022
79	Huntsville, AL	WZDX	FOX	WZDX-D2, D3, D4	MNTV, MeTV, Escape	O&O	4/1/2021
		WHDF(17)	The CW			O&O	4/1/2021
80	Rochester, NY	WROC	CBS	WROC-D2, D3, D4	Bounce, Laff, Escape	O&O	6/1/2023
81	Syracuse, NY	WSYR	ABC	WSYR-D2, D3, D4	MeTV, Bounce, Laff	O&O	6/1/2023
82	Champaign, IL	WCIX	MNTV	WCIX-D2, D3, D4	CBS, Escape, Laff	O&O	12/1/2021
		WCIA	CBS	WCIA-D2, D3, D4	MNTV, Bounce, Grit	O&O	12/1/2021
85	El Paso, TX	KTSM	NBC	KTSM-D2, D3, D4	Estrella, Escape, Laff	O&O	8/1/2022
89	Waco-Bryan, TX	KWKT	FOX	KWKT-D2, D3, D4	MNTV, Estrella, Bounce	O&O	8/1/2022
		KYLE	MNTV	KYLE-D2, D3, D4	FOX, Estrella, Laff	O&O	8/1/2022
90	Shreveport, LA	KTAL	NBC	KTAL-D2, D3, D4	Laff, Cozi TV, CBN	O&O	8/1/2022
		KMSS	FOX			LSA(7)	6/1/2021
		KSHV	MNTV	KSHV-D2, D3, D4	Escape, ION, Quest	LSA(8)	6/1/2021
91	Colorado Springs, CO	KXRM	FOX	KXRM-D2, D3, D4	The CW, ION, Escape	O&O	4/1/2022
				KXTU-LD, D2, D4	The CW, Laff, Bounce	O&O	
92	Jackson, MS	WJTV	CBS	WJTV-D2, D3, D4	The CW, ION, Laff	O&O	6/1/2021
93	Savannah, GA	WSAV	NBC	WSAV-D2, D3, D4	The CW, MeTV, Laff	O&O	4/1/2021
94	Charleston, SC	WCBD	NBC	WCBD-D2, D3, D4	The CW, ION, Laff	O&O	12/1/2020
95	Florence, SC	WBTW	CBS	WBTW-D2, D3, D4	MNTV, ION, Escape	O&O	12/1/2020
96	Burlington, VT	WFFF	FOX	WFFF-D2, D3	Escape, Bounce	O&O	4/1/2023
		WVNY	ABC	WVNY-D2, D3, D4	Laff, Grit, Quest	LSA(5)	4/1/2023
97	Baton Rouge, LA	WGMB	FOX	WGMB-D2, D3	The CW, Cozi TV	O&O	6/1/2021
		WVLA	NBC	WVLA-D2, D3	Laff, ION	LSA(8)	6/1/2021
				WBRL-CD	The CW	O&O	6/1/2021
				KZUP-CD	IND	O&O	6/1/2021
98	Quad Cities, IL	KLJB	FOX	KLJB-D2	MeTV	LSA(7)	2/1/2022
		KGCW	The CW	KGCW-D2, D3, D4	ThisTV, Laff, Bounce	O&O	2/1/2022
		WHBF	CBS	WHBF-D2, D3, D4	KGCW, Grit, Escape	O&O	12/1/2021
101	Fayetteville, AR	KFTA	FOX	KFTA-D2, D3, D4	NBC, Escape, Bounce	O&O	6/1/2021
		KNWA	NBC	KNWA-D2, D3, D4	FOX, Laff, Grit	O&O	6/1/2021
102	Tri-Cities, TN-VA	WJHL	CBS	WJHL-D2	ABC	O&O	8/1/2021

Market Rank(1)	Market	Full Power Stations	Primary Affiliation	Low Power Stations / Multicast Channels	Other Affiliation	Status(2)	FCC License Expiration Date(4)
103	Evansville, IN	WEHT	ABC	WEHT-D2, D3	Laff, Cozi TV	O&O	8/1/2021
		WTVW	The CW	WTVW-D2, D3, D4	Bounce, Escape, ION	LSA(5)	8/1/2021
104	Ft. Wayne, IN	WANE	CBS	WANE-D2, D3, D4	ION, Laff, Escape	O&O	8/1/2021
105	Augusta, GA	WJBF	ABC	WJBF-D2, D3, D4	MeTV, ION, Escape	O&O	4/1/2021
106	Altoona, PA	WTAJ	CBS	WTAJ-D2, D3, D4	Escape, Laff, Grit	O&O	8/1/2023
107	Greenville, NC	WNCT	CBS	WNCT-D2, D3, D4	The CW, getTV, Escape	O&O	12/1/2020
108	Springfield, MA	WWLP	NBC	WWLP-D2, D3, D4	The CW, ION, Escape	O&O	4/1/2023
110	Lansing, MI	WLAJ	ABC	WLAJ-D2	ABC	LSA(9)	10/1/2021
		WLNS(24)	CBS			O&O	10/1/2021
113	Peoria, IL	WMBD	CBS	WMBD-D2, D3, D4	Bounce, Laff, Escape	O&O	12/1/2021
		WYZZ	FOX			LSA(13)	12/1/2021
114	Tyler-Longview, TX	KETK	NBC	KETK-D2, D3	Grit, ION	O&O	8/1/2022
		KFXK	FOX	KFXK-D2, D3, D4	MNTV, Escape, Laff	LSA(8)	8/1/2022
				KTPN-LD	MNTV	LSA(8)	8/1/2022
115	Sioux Falls, SD	KELO	CBS	KELO-D2, D3, D4	MNTV, ION, Escape	O&O	4/1/2022
		KDLO(23)	CBS	KDLO-D2	MNTV	O&O	4/1/2022
		KPLO(23)	CBS	KPLO-D2	MNTV	O&O	4/1/2022
121	Lafayette, LA	KLFY	CBS	KLFY-D2, D3, D4	getTV, ION, Laff	O&O	6/2/2025
122	Bakersfield, CA	KGET	NBC	KGET-D2, D3, D4	The CW, Telemundo, Laff	O&O	12/1/2022
				KKEY-LP	Telemundo	O&O	12/1/2022
125	Youngstown, OH	WYTV	ABC	WYTV-D2	MNTV	LSA(11)	10/1/2021
		WKBN(24)	CBS	WKBN-D2	FOX	O&O	10/1/2021
				WYFX-LD, D2, D3, D4, D5, D6	FOX, MNTV, ION, Bounce, Laff, getTV	O&O	
127	Columbus, GA	WRBL	CBS	WRBL-D2, D3, D4	MeTV, ION, Laff	O&O	4/2/2025
130	La Crosse, WI	WLAX	FOX	WLAX-D2, D3, D4	MeTV, Laff, Grit	O&O	12/1/2021
		WEUX(16)	FOX	WEUX-D2, D3, D4	MeTV, Escape, Bounce	O&O	12/1/2021
131	Amarillo, TX	KAMR	NBC	KAMR-D2, D3, D4	MNTV, Laff, Cozi TV	O&O	8/1/2022
		KCIT	FOX	KCIT-D2, D3, D4	Grit, Escape, Bounce	LSA(5)	8/1/2022
				KCPN-LP	MNTV	LSA(5)	8/1/2022
137	Monroe, AR	KARD	FOX	KARD-D2, D3, D4	Bounce, Grit, Cozi TV	O&O	6/1/2021
		KTVE	NBC	KTVE-D2, D3, D4	KARD, Laff, Escape	LSA(5)	6/1/2021
139	Rockford, IL	WQRF	FOX	WQRF-D2, D3	Bounce, Escape	O&O	12/1/2021
		WTVO	ABC	WTVO-D2, D3, D4	MNTV, Laff, Grit	LSA(5)	12/1/2021
141	Topeka, KS	KSNT	NBC	KSNT-D2, D3, D4	FOX, ION, Bounce	O&O	6/1/2022
		KTKA	ABC	KTKA-D2, D3, D4	getTV, The CW, Justice	LSA(11)	6/1/2022
				KTMJ-CD, D2, D3, D4	FOX, Escape, Grit, Laff	O&O	
142	Midland, TX	KMID	ABC	KMID-D2, D3, D4	Laff, Escape, Grit	O&O	8/1/2022
		KPEJ	FOX	KPEJ-D2	Estrella	LSA(7)	8/1/2022
143	Lubbock, TX	KLBK	CBS	KLBK-D2	Laff	O&O	8/1/2022
		KAMC	ABC	KAMC-D2, D3, D4	Escape, Bounce, CBN	LSA(5)	8/1/2022
146	Minot-Bismarck, ND	KXMA	The CW	KXMA-D2, D3, D4	CBS, Laff, Escape	O&O	4/1/2022
		KXMB(15)	CBS	KXMB-D2, D3, D4	The CW, Laff, Escape	O&O	4/1/2022
		KXMC	CBS	KXMC-D2, D3, D4	The CW, Laff, Escape	O&O	4/1/2022
		KXMD(15)	CBS	KXMD-D2, D3, D4	The CW, Laff, Escape	O&O	4/1/2022
148	Wichita Falls, TX	KFDX	NBC	KFDX-D2, D3, D4	MNTV, Laff, Cozi TV	O&O	(4)
		KJTL	FOX	KJTL-D2, D3, D4	Grit, Bounce, Escape	LSA(5)	8/1/2022
				KJBO-LP	MNTV	LSA(5)	8/1/2022
149	Sioux City, IA	KCAU	ABC	KCAU-D2, D3, D4	Escape, Laff, Bounce	O&O	2/1/2022
150	Panama City, FL	WMBB	ABC	WMBB-D2, D3, D4	MeTV, Laff, Escape	O&O	2/1/2021
151	Erie, PA	WJET	ABC	WJET-D2, D3, D4	Laff, Escape, Cozi TV	O&O	8/1/2023
		WFXP	FOX	WFXP-D2, D3	Grit, Bounce	LSA(5)	8/1/2023
153	Joplin, MO	KSNF	NBC	KSNF-D2, D3, D4	Laff, Escape, Cozi TV	O&O	2/1/2022
		KODE	ABC	KODE-D2, D3, D4	Grit, Bounce, ION	LSA(5)	2/1/2022
158	Terre Haute, IN	WTWO	NBC	WTWO-D2, D3, D4	Laff, Escape, Cozi TV	O&O	8/1/2021
		WAWV	ABC	WAWV-D2, D3	Grit, Bounce	LSA(5)	8/1/2021
160	Binghamton, NY	WIVT	ABC	WIVT-D2, D3, D4	NBC, Laff, Escape	O&O	6/1/2023
				WBGH-CD, D3	NBC, ABC	O&O	6/1/2023
162	Wheeling, WV	WTRF	CBS	WTRF-D2, D3, D4	MNTV, ABC, Escape	O&O	10/1/2020
163	Beckley, WV	WVNS	CBS	WVNS-D2	FOX	O&O	10/1/2020
165	Abilene, TX	KTAB	CBS	KTAB-D2, D3, D4	Telemundo, Escape, ION	O&O	8/1/2022
		KRBC	NBC	KRBC-D2, D3, D4	Grit, Laff, Bounce	LSA(5)	8/1/2022

Market Rank(1)	Market	Full Power Stations	Primary Affiliation	Low Power Stations / Multicast Channels	Other Affiliation	Status(2)	FCC License Expiration Date(4)
167	Billings, MT	KSVI	ABC	KSVI-D2, D3	Escape Bounce	O&O	4/1/2022
		KHMT	FOX	KHMT-D2, D3, D4	Grit, Laff ION	LSA(5)	4/1/2022
168	Hattiesburg, MS	WHLT	CBS	WHLT-D2, D3, D4	The CW, ION, Escape	O&O	6/1/2021
169	Utica NY	WFXV	FOX	WFXV-D2, D3	Escape Laff	O&O	6/1/2023
		WUTR	ABC	WUTR-D2, D3, D4	MNTV Grit, Bounce	LSA(5)	6/1/2023
				WPNY-LP	MNTV	O&O	6/1/2023
170	Clarksburg WV	WBOY	NBC	WBOY-D2 D3, D4	ABC, Escape, Laff	O&O	10/1/2020
171	Rapid City, SD	KCLO	CBS	KCLO-D2, D3, D4	The CW, ION, Escape	O&O	4/1/2022
173	Dothan, AL	WDHN	ABC	WDHN-D2, D3, D4	Escape Laff, Cozi TV	O&O	4/1/2021
176	Elmira, NY	WETM	NBC	WETM-D2, D3 D4	IND, Laff Escape	O&O	6/1/2023
177	Jackson TN	WJKT	FOX	WJKT-D2 D3, D4	Escape Laff, Grit	O&O	8/1/2021
178	Watertown NY	WWTI	ABC	WWTI-D2 D3, D4	The CW, Laff, Escape	O&O	6/1/2023
179	Alexandria, LA	WNTZ	FOX	WNTZ-D2 D3 D4	Bounce, Escape Laff	O&O	6/1/2021
182	Marquette MI	WJMN	CBS	WJMN-D2 D3, D4	Escape, Laff, Bounce	O&O	10/1/2021
187	Grand Junction CO	KREX	CBS	KREX-D2, D3, D4	Laff, MNTV, Bounce	O&O	4/1/2022
		KREY(14)	CBS	KREY-D2, D3, D4	CBS, Escape Grit	O&O	4/1/2022
		KFQX	FOX	KFQX-D2, D3, D4	CBS, Escape Grit	LSA(5)	4/1/2022
				KGJT-CD	MNTV	O&O	4/1/2022
196	San Angelo TX	KLST	CBS	KLST-D2, D3	Escape, Grit	O&O	8/1/2022
		KSAN	NBC	KSAN-D2, D3, D4	Laff Bounce, ION	LSA(5)	8/1/2022

(1) Market rank refers to ranking the size of the DMA in which the station is located in relation to other DMAs Source *Investing in Television Market Report 2018 4th Edition*, as published by BIA Financial Network Inc

(2) O&O refers to stations that we own and operate LSA, or local service agreement, is the general term we use to refer to a contract under which we provide services utilizing our employees to a station owned and operated by an independent third-party Local service agreements include TBAs SSAs, JSAs, LMAs and outsourcing agreements For further information regarding the LSAs to which we are a party, see Note 2 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K

(3) Although WDVM is located within the Washington, D C DMA its signal does not reach the entire Washington D C metropolitan area WDVM serves the Hagerstown, MD sub-market within the DMA WDVM is the only commercial station licensed in the city of Hagerstown

(4) Application for renewal of license was submitted timely to the FCC Under the FCC's rules, the license expiration date is automatically extended pending FCC review of and action on the renewal application

(5) These stations are owned by Mission

(6) KNVA is owned by 54 Broadcasting, a subsidiary of Vaughan Media LLC ("Vaughan")

(7) These stations are owned by Marshall

(8) These stations are owned by White Knight Broadcasting ("White Knight")

(9) These stations are owned by Shield

(10) These stations are owned by Tamer Media, LLC ("Tamer")

(11) These stations are owned by Vaughan

(12) WNAC is owned by WNAC, LLC

(13) WYZZ is owned by Cunningham Broadcasting Corporation

(14) KREY operate as satellite stations of KREX

(15) KAMB and KAMD operate as satellite stations of KXMC

(16) WEUX operates as a satellite station of WLAX

(17) On July 15, 2018, we entered into a definitive agreement to acquire WHDF's assets and began providing programming and sales and other services to the station under a TBA On November 9, 2018, we completed the acquisition of WHDF and terminated the TBA Refer to Item 1, "Business–Recent Acquisitions" for additional information

(18) On August 1, 2018, we entered into a definitive agreement to acquire KRBK's assets and began providing programming and sales and other services to the station under a TBA On November 1, 2018, we completed the acquisition of KRBK and terminated the TBA Refer to Item 1, "Business–Recent Acquisitions" for additional information

(19) On November 1 2018 we entered into a definitive agreement to acquire the FCC license, certain transmission equipment and network affiliation agreement of KHII, including its satellite stations KGMV and KGMD On January 28, 2019 we completed the acquisition We provided programming and sales and other services to KHII under a TBA from November 1 2018 until the completion of our acquisition Refer to Item 1, Business–Recent Acquisitions" for additional information

(20) KREZ and KBIM operate as satellite stations of KRQE

(21) KHAW and KAII operate as satellite stations of KHON

(22) KSNC KSNG and KSNK operate as satellite stations of KSNW

(23) KDLO and KPLO operate as satellite stations of KELO

(24) Pursuant to the FCC's incentive auction these stations ceased broadcasting on their former channels and implemented channel sharing arrangements with another Company station in the same market

(25) Pursuant to the FCC's incentive auction, stations KRON and WNCN will move to VHF channels and must vacate their current channels by September 2019 and May 2020, respectively

Industry Background

Commercial television broadcasting began in the United States on a regular basis in the 1940s A limited number of channels are available for over-the-air broadcasting in any one geographic area and a license to operate a television station must be granted by the FCC All television stations in the country are grouped by The Nielsen Company, LLC, a national audience measuring service, into 210 generally recognized television markets, known as DMAs, that are ranked in size according to various metrics based upon actual or potential audience. Each DMA is an exclusive geographic area consisting of all counties in which the home-market commercial stations receive the greatest percentage of total viewing hours Nielsen publishes data on estimated audiences for the television stations in each DMA on a quarterly basis The estimates are expressed in terms of a "rating," which is a station's percentage of the total potential audience in the market, or a "share," which is the station's percentage of the audience actually watching television A station's rating in the market can be a factor in determining advertising rates

Most television stations are affiliated with networks and receive a significant part of their programming, including prime-time hours, from networks Whether or not a station is affiliated with one of the four major networks (NBC, CBS, FOX or ABC) has a significant impact on the composition of the station's revenue, expenses and operations Network programming is provided to the affiliate by the network in exchange for the payment to the network of affiliation fees and the network's retention of a substantial majority of the advertising time during network programs The network then sells this advertising time and retains the revenue The affiliate retains the revenue from the remaining advertising time it sells during network programs and from advertising time it sells during non-network programs

Broadcast television stations compete for advertising revenue primarily with other commercial broadcast television stations, cable and satellite television systems, OTTDs, Google, Facebook and other online media, newspapers and radio stations serving the same market Non-commercial, religious and Spanish-language broadcasting stations in many markets also compete with commercial stations for viewers In addition, the Internet and other leisure activities may draw viewers away from commercial television stations

Advertising Sales

General

Television station revenue is substantially derived from the sale of local and national advertising All network-affiliated stations are required to carry advertising sold by their networks which reduces the amount of advertising time available for sale by stations Our stations sell the remaining advertising to be inserted in network programming and the advertising in non-network programming, retaining all of the revenue received from these sales A national syndicated program distributor will often retain a portion of the available advertising time for programming it supplies in exchange for no fees or reduced fees charged to stations for such programming These programming arrangements are referred to as barter programming

Advertisers wishing to reach a national audience usually purchase time directly from the networks or advertise nationwide on a case-by-case basis National advertisers who wish to reach a particular region or local audience often buy advertising time directly from local stations through national advertising sales representative firms Local businesses purchase advertising time directly from the station's local sales staff

Advertising rates are based upon a number of factors, including

- a program's popularity among the viewers that an advertiser wishes to target;
- the number of advertisers competing for the available time,
- the size and the demographic composition of the market served by the station,
- the availability of alternative advertising media in the market,
- the effectiveness of the station's sales force,
- development of projects, features and programs that tie advertiser messages to programming, and
- the level of spending commitment made by the advertiser

Advertising rates are also determined by a station's overall ability to attract viewers in its market area, as well as the station's ability to attract viewers among particular demographic groups that an advertiser may be targeting Advertising revenue is positively affected by strong local economies. Conversely, declines in advertising budgets of advertisers, particularly in recessionary periods, adversely affect the broadcast industry and, as a result, may contribute to a decrease in the revenue of broadcast television stations

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns, and certain events such as the Olympic Games or the Super Bowl. Stations' advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years when state, congressional and presidential elections occur and advertising is aired during the Olympic Games.

Local Sales

Local advertising time is sold by each station's local sales staff who call upon advertising agencies and local businesses, which typically include car dealerships, retail stores and restaurants. Compared to revenue from national advertising accounts, revenue from local advertising is generally more stable and more predictable. We seek to attract new advertisers to our television stations and websites and to increase the amount of advertising time sold to existing local advertisers by relying on experienced local sales forces with strong community ties, producing news and other programming with local advertising appeal and sponsoring or co-promoting local events and activities. We place a strong emphasis on the experience of our local sales staff and maintain an on-going training program for sales personnel.

National Sales

National advertising time is sold through national sales representative firms which call upon advertising agencies, whose clients typically include automobile manufacturers and dealer groups, telecommunications companies, fast food franchisers and national retailers (some of which may advertise locally).

Compensation for Retransmission Consent

We receive compensation from cable, satellite and other MVPDs and OTTDs in return for our consent to the retransmission of the signals of our television stations. The revenues primarily represent payments from the MVPDs and OTTDs and are typically based on the number of subscribers they have. Our successful negotiations with these distributors have created agreements that now produce meaningful sustainable revenue streams.

Network Affiliations

Except for WDVM (independent station), all of the full power television stations that we own and operate, program or provide sales and other services to as of December 31, 2018 are affiliated with a network pursuant to an affiliation agreement. The agreements with ABC, FOX, NBC and CBS are the most significant to our operations. The terms of these agreements expire as discussed below:

Network Affiliations	Expiration Date
ABC	30 agreements expire in December 2022
FOX	Of the 32 agreements, one expires in June 2019, 30 expire in December 2019 and one(1) expires in December 2020
NBC	Of the 33 agreements, 18 expire in December 2019 and 15 expire in December 2020
CBS	Of the 46 agreements, 18 expire in in August 2019, one expires in December 2019, one expires in February 2020, 10 expire in June 2020, one expires in January 2021, two expire in June 2021 and 13 expire in December 2021

(1) The affiliation agreement is owned by a station to which we provide sales and other services. We do not consolidate this station in our financial statements due to lack of a controlling financial interest.

Each affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the network with which it is affiliated. In exchange, the network receives affiliation fees and has the right to sell a substantial majority of the advertising time during these broadcasts. We expect the network affiliation agreements listed above to be renewed upon expiration.

Competition

Competition in the television industry takes place on several levels: competition for audience, competition for programming and competition for advertising.

Audience. We compete for audience share specifically on the basis of program popularity. The popularity of a station's programming has a direct effect on the advertising rates it can charge its advertisers. A portion of the daily programming on the stations that we own or provide services to is supplied by the network with which each station is affiliated. In those periods, the stations are dependent upon the performance of the network programs in attracting viewers. Stations program non-network time periods with a combination of self-produced news, public affairs and other entertainment programming, including movies and syndicated programs. The major television networks have also begun to provide their programming directly to the consumer via portable digital devices, such as tablets and cell phones, which present an additional source of competition for television broadcaster audience share. Other sources of competition for audience include home entertainment systems (such as DVDs and DVRs), video-on-demand and pay-per-view, the Internet (including network distribution of programming through websites and mobile platforms) and gaming devices.

Although the commercial television broadcast industry historically has been dominated by the ABC, NBC, CBS and FOX television networks, other newer television networks and the growth in popularity of subscription systems, such as local cable and direct broadcast satellite ("DBS") systems and video streaming services, which air exclusive programming not otherwise available in a market, have become significant competitors for the over-the-air television audience.

Programming. Competition for programming involves negotiating with national program distributors or syndicators that sell first-run and rerun packages of programming. Stations compete against in-market broadcast station operators for exclusive access to off-network reruns (such as *Two and a Half Men*) and first-run product (such as *Entertainment Tonight*) in their respective markets. Cable systems generally do not compete with local stations for programming, although various national cable networks from time to time have acquired programs that would have otherwise been offered to local television stations. Warner Media, LLC, Comcast Corporation, Viacom Inc., CBS Corporation, The News Corporation Limited and the Walt Disney Company each owns a television network and multiple cable networks and also owns or controls major production studios, which are the primary sources of programming for the networks. It is uncertain whether in the future such programming, which is generally subject to short-term agreements between the studios and the networks, will be moved from or to the networks. Television broadcasters also compete for non-network programming unique to the markets they serve. As such, stations strive to provide exclusive news stories and unique features such as investigative reporting and coverage of community events and to secure broadcast rights for regional and local sporting events.

Advertising. Stations compete for advertising revenue with other television stations in their respective markets and other advertising media such as newspapers, radio stations, magazines, outdoor advertising, transit advertising, yellow page directories, direct mail, MVPDs, OTTDs and online media (e.g. Google, Facebook, etc.). Competition for advertising dollars in the broadcasting industry occurs primarily within individual markets. Generally, a television broadcast station in a particular market does not compete with stations in other market areas.

The broadcasting industry is continually faced with technological change and innovation which increase the popularity of competing entertainment and communications media. Further advances in technology may increase competition for household audiences and advertisers. An increase in the popularity of OTTDs may result in popular product offerings that do not include television broadcast stations. The increased use of digital technology by MVPDs, along with video compression techniques, will reduce the bandwidth required for television signal transmission. These technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to highly targeted audiences. Reductions in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized "niche" programming. This ability to reach very narrowly defined audiences is expected to alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these or other technological changes will have on the broadcast television industry or on the future results of our operations or the operations of the stations to which we provide services.

Federal Regulation

Television broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the "Communications Act"). The following is a brief discussion of certain (but not all) provisions of the Communications Act and the FCC's regulations and policies that affect the business operations of television broadcast stations. Over the years, the U.S. Congress and the FCC have added, amended and deleted statutory and regulatory requirements to which station owners are subject. Some of these changes have a minimal business impact whereas others may significantly affect the business or operation of individual stations or the broadcast industry as a whole. For more information about the nature and extent of FCC regulation of television broadcast stations, you should refer to the Communications Act and the FCC's rules, case precedent, public notices and policies.

License Grant and Renewal. The Communications Act prohibits the operation of broadcast stations except under licenses issued by the FCC. Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if during the preceding term the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC's rules, and the licensee committed no other violations of the Communications Act or the FCC's rules which, taken together, would constitute a pattern of abuse. A majority of renewal applications are routinely granted under this standard. If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period.

After a renewal application is filed, interested parties, including members of the public, may file petitions to deny the application, to which the licensee/renewal applicant is entitled to respond. After reviewing the pleadings, if the FCC determines that there is a substantial and material question of fact whether grant of the renewal application would serve the public interest, the FCC is required to hold a hearing on the issues presented. If, after the hearing, the FCC determines that the renewal applicant has met the renewal standard, the FCC will grant the renewal application. If the licensee/renewal applicant fails to meet the renewal standard or show that there are mitigating factors entitling it to renewal subject to appropriate sanctions, the FCC can deny the renewal application. In the vast majority of cases where a petition to deny is filed against a renewal application, the FCC ultimately grants the renewal without a hearing. No competing application for authority to operate a station and replace the incumbent licensee may be filed against a renewal application.

In addition to considering rule violations in connection with a license renewal application, the FCC may sanction a station licensee for failing to observe FCC rules and policies during the license term, including the imposition of a monetary forfeiture.

Under the Communications Act, the term of a broadcast license is automatically extended during the pendency of the FCC's processing of a timely renewal application.

Station Transfer. The Communications Act prohibits the assignment or the transfer of control of a broadcast license without prior FCC approval.

Ownership Restrictions. The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, the holder of a U.S. broadcast license may have no more than 20% non-U.S. ownership (by vote and by equity). The Communications Act further prohibits more than 25% indirect foreign ownership or control of a licensee through a parent company unless the FCC determines the public interest will not be served by enforcement of such restriction. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before indirect foreign ownership of a broadcast licensee may exceed 25%. The FCC will entertain and authorize, on a case-by-case basis and upon a sufficient public interest showing, proposals to exceed the 25% indirect foreign ownership limit in broadcast licensees. In September 2016, the FCC adopted rules to simplify and streamline the process for requesting authority to exceed the 25% indirect foreign ownership limit and reformed the methodology that publicly traded broadcasters may use to assess their compliance with the foreign ownership restrictions.

The FCC also has rules which establish limits on the ownership of broadcast stations. These ownership limits apply to attributable interests in a station licensee held by an individual, corporation, partnership or other entity. In the case of corporations, officers, directors and voting stock interests of 5% or more (20% or more in the case of certain passive investors, such as insurance companies and bank trust departments) are considered attributable interests. For partnerships, all general partners and non-insulated limited partners are attributable. Limited liability companies are treated the same as partnerships. The FCC also considers attributable the holder of more than 33% of a licensee's total assets (defined as total debt plus total equity), if that person or entity also provides over 15% of the station's total weekly broadcast programming or has an attributable interest in another media entity in the same market which is subject to the FCC's ownership rules. If a shareholder of Nexstar holds a voting stock interest of 5% or more (20% or more in the case of certain passive investors, such as insurance companies and bank trust departments), we must report that shareholder, its parent entities, and attributable individuals and entities of both, as attributable interest holders in Nexstar.

The FCC is required to review its media ownership rules every four years to eliminate those rules it finds no longer serve the "public interest, convenience and necessity." In August 2016, the FCC adopted a Second Report and Order (the "2016 Ownership Order") concluding the agency's 2010 and 2014 quadrennial reviews. The 2016 Ownership Order (1) retained the then-existing local television ownership rule and radio/television cross-ownership rule with minor technical modifications, (2) extended the ban on common ownership of two top-four television stations in a market to network affiliation swaps, (3) retained the then-existing ban on newspaper/broadcast cross-ownership in local markets while considering waivers and providing an exception for failed or failing entities, (4) retained the dual network rule, (5) made JSA relationships attributable interests and (6) defined a category of sharing agreements designated as SSAs between stations and required public disclosure of those SSAs (while not considering them attributable). Nexstar and other parties filed petitions seeking reconsideration of various aspects of the 2016 Ownership Order. On November 16, 2017, the FCC adopted an order (the "Reconsideration Order") addressing the petitions for reconsideration. The Reconsideration Order (1) eliminated the rules prohibiting newspaper/broadcast cross-ownership and limiting television/radio cross-ownership, (2) eliminated the requirement that eight or more independently-owned television stations remain in a market for common ownership of two television stations in the market to be permissible, (3) retained the general prohibition on common ownership of two "top four" stations in a local market but provided for case-by-case review, (4) eliminated the television JSA attribution rule, and (5) retained the SSA definition and disclosure requirement for television stations. These rule modifications took effect on February 7, 2018, when the U.S. Court of Appeals for the Third Circuit (the "Third Circuit") denied a mandamus petition which had sought to stay their effectiveness. The Reconsideration Order's rule modifications (a) could allow Nexstar to acquire a second television station in certain markets where ownership of two television stations was not previously permitted, (b) allow Nexstar to acquire television stations without regard to any interests of its officers, directors or attributable shareholders in same-market radio stations or newspapers, (c) permit Nexstar's existing JSAs with independently-owned television stations to remain in effect indefinitely, and (d) could enable Nexstar to enter into new JSAs without violating FCC regulations. The Reconsideration Order remains subject to appeals before the Third Circuit.

In December 2018, the FCC initiated its 2018 quadrennial review with the issuance of a Notice of Proposed Rulemaking. Among other things, the FCC seeks comment on all aspects of the local television ownership rule's implementation and whether the current version of the rule remains necessary in the public interest. Comments and reply comments in the 2018 quadrennial review are due in the first and second quarters of 2019.

Local Television Ownership (Duopoly Rule). Under the current local television ownership, or "duopoly," rule, a single entity is allowed to own or have attributable interests in two television stations in a market if (1) the two stations do not have overlapping service areas, or (2) one of the combining stations is not ranked among the top four stations in the DMA, although the FCC will consider showings that this "top four" prohibition should not apply in a given case. The duopoly rule also allows the FCC to consider waivers to permit the ownership of a second station, where otherwise prohibited, where the second station has failed or is failing or unbuilt. The FCC reconfirmed that the duopoly rule continues to serve the public interest in the 2016 Ownership Order, which generally retained the rule in the form in which it had existed since 1999. In its Reconsideration Order, however, the FCC modified the duopoly rule to (1) eliminate the "eight voices" test (whereby the rule had previously required, in addition to the "top four" prohibition, that at least eight independently owned television stations remain in a market after a proposed combination) and (2) permit case-by-case review of proposed "top four" combinations (while generally retaining the "top four" prohibition). These modifications took effect on February 7, 2018. The modifications could allow Nexstar to acquire a second television station in certain markets where ownership of two television stations was not previously permitted. The November 2017 reconsideration order remains subject to federal court appeals.

The FCC attributes toward the local television ownership limits another in-market station when one station owner programs that station pursuant to a TBA or LMA, if the programmer provides more than 15% of the second station's weekly broadcast programming. However, LMAs entered into prior to November 5, 1996 are exempt attributable interests until the FCC determines otherwise. This "grandfathering," when reviewed by the FCC, is subject to possible extension or termination.

In its 2016 Ownership Order, the FCC reinstated a rule that attributed another in-market station toward the local television ownership limits when one station owner sells more than 15% of the second station's weekly advertising inventory under a JSA (this rule had been previously adopted but was vacated by the Third Circuit). Parties to JSAs entered into prior to March 31, 2014 were permitted to continue to operate under these JSAs until September 30, 2025. However, in the Reconsideration Order, the FCC eliminated the JSA attribution rule in its entirety. This elimination took effect on February 7, 2018. As a result of this rule elimination, Nexstar's existing JSAs with independently-owned television stations may remain in effect indefinitely, and Nexstar may enter into new JSAs without violating FCC regulations. The November 2017 reconsideration order remains subject to federal court appeals.

In certain markets, the Company owns and operates both full-power and low-power television broadcast stations. The FCC's duopoly rule and policies regarding ownership of television stations in the same market apply only to full-power television stations and not low-power television stations.

In a number of markets, the Company owns two stations in compliance with the duopoly rule. We also are permitted to own two or more stations in various other markets pursuant to waivers under the FCC's rules permitting common ownership of a "satellite" television station in a market where a licensee also owns the "primary" station. Additionally, we are permitted to own two stations in the Quad Cities, *Illinois/Iowa, Greenville-Spartanburg, South Carolina-Asheville, North Carolina and Hartford-New Haven, Connecticut markets pursuant to* waivers allowing ownership of a second station where that station is "failing."

In all of the markets where we have entered into local service agreements, except for five, we provide programming comprising less than 15% of the second station's programming. In the five markets where we provide more programming to the second station—WFXP in Erie, Pennsylvania, KHMT in Billings, Montana, KFQX in Grand Junction, Colorado, KNVA in Austin, Texas and WNAC-TV in Providence, Rhode Island—the LMAs were entered into prior to November 5, 1996 and are considered grandfathered. Therefore, we may continue to program these stations under the terms of these agreements until the FCC determines otherwise.

With respect to our other local service agreements, a previous FCC rule made a majority of our JSAs attributable, but this rule was eliminated effective February 7, 2018. As a result, our existing JSAs are no longer attributable and may remain in effect indefinitely. Under rules in effect both prior to and after February 7, 2018, our SSAs with independently owned same-market stations are non-attributable. We may therefore retain our existing SSAs in effect indefinitely, but we must disclose them, and the FCC may in the future consider regulations with respect to such agreements.

National Television Ownership. There is no limit on the number of television stations which a party may own. However, the FCC's rules limit the percentage of U.S. television households which a party may reach through its attributable interests in television stations to 39%. This rule originally provided that when calculating a party's nationwide aggregate audience coverage, the ownership of an ultra-high frequency ("UHF") *station would be counted as 50% of a market's percentage of total national audience. In August 2016, the FCC adopted an order* eliminating this "UHF discount." On reconsideration, however, the FCC reinstated the discount, which took effect once again in June 2017. A petition for review of the FCC's order reinstating the UHF discount remains pending in a federal appeals court, and Nexstar has intervened in the litigation in support of the FCC. In December 2017, the FCC initiated a proceeding to broadly reexamine its national television ownership rule, including the percentage reach cap and the UHF discount. Comments and reply comments in this proceeding were filed in the first and *second quarters of 2018.*

The stations that Nexstar owns have a combined national audience reach of 38.8% of television households without the UHF discount.

Radio/Television Cross-Ownership Rule (One-to-a-Market Rule). An FCC rule formerly limited the extent to which a party could hold attributable interests in both television stations and radio stations in the same market. In its November 2017 Reconsideration Order, however, the FCC eliminated the radio/television cross-ownership rule in its entirety. This elimination took effect on February 7, 2018. The Reconsideration Order remains subject to federal court appeals.

Local Television/Newspaper Cross-Ownership Rule. An FCC rule formerly prohibited a party from having an attributable interest in a television station and a daily newspaper in the same market. In its November 2017 Reconsideration Order, however, the FCC eliminated the newspaper/broadcast cross-ownership rule in its entirety. This elimination took effect on February 7, 2018. The Reconsideration Order remains subject to federal court appeals.

Local Television/Cable Cross-Ownership. There is no FCC rule prohibiting common ownership of a cable television system and a television broadcast station in the same area.

MVPD Carriage of Local Television Signals. Broadcasters may obtain carriage of their stations' signals on cable, satellite and other MVPDs through either mandatory carriage or through "retransmission consent." Every three years all stations must formally elect either mandatory carriage ("must-carry" for cable distributors and "carry one-carry all" for satellite television providers) or retransmission consent. The next election must be made by October 1, 2020 and will be effective January 1, 2021. Must-carry elections require that the MVPD carry one station programming stream and related data in the station's local market. However, MVPDs may decline a must-carry election in certain circumstances. MVPDs do not pay a fee to stations that elect mandatory carriage.

A broadcaster that elects retransmission consent waives its mandatory carriage rights, and the broadcaster and the MVPD must negotiate in good faith for carriage of the station's signal. Negotiated terms may include channel position, service tier carriage, carriage of multiple program streams, compensation and other consideration. If a broadcaster elects to negotiate retransmission terms, it is possible that the broadcaster and the MVPD will not reach agreement and that the MVPD will not carry the station's signal.

MVPD operators are actively seeking to change the regulations under which retransmission consent is negotiated before both the U.S. Congress and the FCC in order to increase their bargaining leverage with television stations. On March 3, 2011, the FCC initiated a Notice of Proposed Rulemaking to reexamine its rules (i) governing the requirements for good faith negotiations between MVPDs and broadcasters, including implementing a prohibition on one station negotiating retransmission consent terms for another station under a local service agreement, (ii) for providing advance notice to consumers in the event of dispute, and (iii) to extend certain cable-only obligations to all MVPDs. The FCC also asked for comment on eliminating the network non-duplication and syndicated exclusivity protection rules, which may permit MVPDs to import out-of-market television stations in certain circumstances.

In March 2014, the FCC amended its rules governing "good faith" retransmission consent negotiations to provide that it is a per se violation of the statutory duty to negotiate in good faith for a television broadcast station that is ranked among the top-four stations in a market (as measured by audience share) to negotiate retransmission consent jointly with another top-four station in the same market if the stations are not commonly owned. On December 5, 2014, the U.S. Congress extended the joint negotiation prohibition to all non-commonly owned television stations in a market. Under this rule and the subsequent legislation, same-market stations may not (1) delegate authority to negotiate or approve a retransmission consent agreement to another non-commonly owned station located in the same DMA or to a third-party that negotiates on behalf of another non-commonly owned station in the same DMA, or (2) if not commonly owned, facilitate or agree to facilitate coordinated negotiation of retransmission consent terms between themselves, including through the sharing of information. Accordingly, the VIEs with which we have sharing agreements must separately negotiate their respective retransmission consent agreements with MVPDs. Concurrently with its adoption of the prohibition on certain joint retransmission consent negotiations, the FCC also adopted a further notice of proposed rulemaking which seeks additional comment on the elimination or modification of the network non-duplication and syndicated exclusivity rules. Comments and reply comments on the further notice were filed in 2014.

In addition, in the STELA Reauthorization Act of 2014, which was adopted and signed into law in December 2014, the U.S. Congress directed the FCC to commence a rulemaking to "review its totality of the circumstances test for good faith [retransmission consent] negotiations." The FCC commenced this proceeding in September 2015, and comments and reply comments were filed in 2015 and 2016. In July 2016, the then-Chairman of the FCC publicly announced that the agency would not adopt additional rules in this proceeding. However, the proceeding remains open.

The FCC's rules also govern which local television signals a satellite subscriber may receive. The U.S. Congress and the FCC have also imposed certain requirements relating to satellite distribution of local television signals to "unserved" households that do not receive a useable signal from a local network-affiliated station and to cable and satellite carriage of out-of-market signals.

Certain online video distributors and other OTTDs have begun streaming broadcast programming over the Internet. In June 2014, the U.S. Supreme Court held that an OTTD's retransmissions of broadcast television signals without the consent of the broadcast station violate copyright holders' exclusive right to perform their works publicly as provided under the Copyright Act of 1976, as amended (the "Copyright Act"). In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term "MVPD" to encompass OTTDs that make available for purchase multiple streams of video programming distributed at a prescheduled time and seeking comment on the effects of applying MVPD rules to such OTTDs. Comments and reply comments were filed in 2015. Although the FCC has not classified OTTDs as MVPDs to date, several OTTDs have signed agreements for retransmission of local stations within their markets, and others are actively seeking to negotiate such agreements.

The Company has elected to exercise retransmission consent rights for all of its stations where it has legal rights to do so. The Company has negotiated retransmission consent agreements with the majority of MVPDs serving its markets to carry the stations' signals and, where permitted by its network affiliation agreements, will negotiate agreements with OTTDs.

Employees

As of December 31, 2018, the Company had a total of 8,959 employees, comprised of 8,249 full-time and 710 part-time employees. As of December 31, 2018, 632 of our employees were covered by collective bargaining agreements. We believe that our employee relations are satisfactory, and we have not experienced any work stoppages at any of our facilities. However, we cannot assure you that our collective *bargaining agreements will be renewed in the future, or that we will not experience a prolonged labor dispute, which could have a material* adverse effect on our business, financial condition or results of operations.

Legal Proceedings

From time to time, we are involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions In the event of an adverse outcome of these proceedings, we believe the resulting liabilities would not have a material adverse effect on our financial condition or results of operations

On March 16, 2018, a group of companies including Nexstar (the "Defendants") received a Civil Investigative Demand from the Antitrust Division of the DOJ regarding an investigation into the exchange of certain information related to the pacing of sales related to the same period in the prior year among broadcast stations in some DMAs in alleged violation of federal antitrust law Other Defendants entered into a proposed consent decree with the DOJ on November 6, 2018 Without admitting any wrongdoing, Nexstar agreed to settle the matter with the DOJ on December 5, 2018 The DOJ filed an amended complaint adding Nexstar to the consent decree on December 13, 2018 The consent decree, which settles any claims by the government of alleged violations of federal antitrust laws in connection with the alleged information sharing, does not include any financial penalty Pursuant to the consent decree, we have agreed not to exchange certain non-public information with other stations operating in the same DMA except in certain cases, to implement certain antitrust compliance measures and to monitor and report on compliance with the consent decree

On July 30, 2018 Clay, Massey & Associates, PC filed an antitrust class action complaint in the U S. District Court for the Northern District of Illinois on behalf of itself and all others similarly situated against Gray Television, Inc , Hearst Communications, Nexstar Media Group, Inc , Tegna Inc Tribune Media Company and Sinclair Broadcast Group, Inc The lawsuit alleges unlawful coordination between broadcast television station owners to artificially increase prices of television spot advertisements in violation of Section 1 of the Sherman Act (15 U S C §1) Nexstar has since been named in 15 similar complaints, including ten in the Northern District of Illinois, three in the Southern District of New York, and two in the District of Maryland Each complaint includes similar allegations and claims a violation of Section 1 of the Sherman Act One, filed in the District of Maryland, also alleges violations of state antitrust and consumer protection statutes and a claim for unjust enrichment.

On October 9, 2018, these cases were consolidated in a multi-district litigation in the District Court for the Northern District of Illinois captioned In Re Local TV Advertising Antitrust Litigation, No 1:18-cv-06785 ("MDL Litigation") On January 23, 2019, the Court in the MDL Litigation appointed plaintiffs' lead and liaison counsel The MDL Litigation is ongoing Nexstar denies the allegations against it and will defend its advertising practices as necessary

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, including us, that file electronically with the SEC The address for the SEC's website is http //www sec gov Due to the availability of our filings on the SEC website, we do not currently make available our filings on our Internet website. Upon request, we will provide free copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q and any other filings with the SEC Requests can be sent to Nexstar Media Group, Inc Attn Investor Relations, 545 E. John Carpenter Freeway, Suite 700, Irving, TX 75062 Additional information about us, our stations and the stations we program or provide services to can be found on our website at *http //www nexstar tv* We do not incorporate the information contained on or accessible through our corporate web site into this Annual Report on Form 10-K

Item 1A. Risk Factors

You should carefully consider the risks described below and all of the information contained in this document The risks and uncertainties described below are not the only risks and uncertainties that the Company faces Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of those risks occur, the Company's business, financial condition and results of operations could suffer The risks discussed below also include forward-looking statements, and the Company's actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" for further information

Risks Related to Our Operations

General trends in the television industry could adversely affect demand for television advertising as consumers migrate to alternative media, including the Internet, for entertainment.

Television viewing among consumers has been negatively impacted by the increasing availability of alternative media, including the Internet In recent years, demand for television advertising has been declining and demand for advertising in alternative media has been increasing, and we expect this trend to continue

The networks have begun streaming some of their programming on the Internet and other distribution platforms simultaneously with, or in close proximity to, network programming broadcast on local television stations, including those we own or provide services to These and other practices by the networks dilute the exclusivity and value of network programming originally broadcast by the local stations and may adversely affect the business, financial condition and results of operations of our stations Also, refer to "Risks Related to Our Industry – Intense competition in the television industry and alternative forms of media could limit our growth and profitability"

The Company's substantial debt could limit its ability to grow and compete.

As of December 31, 2018, the Company had $4 0 billion of debt, which represented 68 2% of the total combined capitalization

The Company's high level of debt could have important consequences to its business For example, it could

- limit the Company's ability to borrow additional funds or obtain additional financing in the future,
- limit the Company's ability to pursue acquisition opportunities;
- expose the Company to greater interest rate risk since the interest rate on borrowings under the senior secured credit facilities is variable;
- limit the Company's flexibility to plan for and react to changes in our business and our industry; and
- impair our ability to withstand a general downturn in our business and place us at a disadvantage compared to our competitors that are less leveraged

See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations" for disclosure of the approximate aggregate amount of principal indebtedness scheduled to mature

The Company could also incur additional debt in the future The terms of the Company's senior secured credit facilities, as well as the indentures governing our 6 125% senior unsecured notes ("6 125% Notes"), our 5 625% senior unsecured notes ("5 625% Notes") and our 5 875% senior unsecured notes ("5 875% Notes"), limit, but do not prohibit the Company from incurring substantial amounts of additional debt. To the extent the Company incurs additional debt, we would become even more susceptible to the leverage-related risks described above

The agreements governing the Company's debt contain various covenants that limit management's discretion in the operation of our business.

The terms of the Company's senior secured credit facilities and the indentures governing our 6 125% Notes, 5 625% Notes and 5 875% Notes contain various restrictive covenants customary for arrangements of these types that restrict our ability to, among other things:

- incur additional debt and issue preferred stock,
- pay dividends and make other distributions,
- make investments and other restricted payments,
- make acquisitions,
- merge, consolidate or transfer all or substantially all of our assets;
- enter into sale and leaseback transactions;
- create liens,
- sell assets or stock of our subsidiaries, and
- enter into transactions with affiliates

In addition, the Company's senior secured credit facilities require us to maintain or meet certain financial ratios, including a maximum consolidated first lien net leverage ratio Future financing agreements may contain similar, or even more restrictive, provisions and covenants Because of these restrictions and covenants, management's ability to operate our business at its discretion is limited, and we may be unable to compete effectively, pursue acquisitions or take advantage of new business opportunities, any of which could harm our business

If we fail to comply with the restrictions in present or future financing agreements, a default may occur A default could allow creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. A default could also allow creditors to foreclose on any collateral securing such debt

The credit agreement governing our obligations under our senior secured credit facility contains covenants that require us to comply with a maximum consolidated first lien net leverage ratio of 4 25 to 1 00 The covenants, which are calculated on a quarterly basis, include the combined results of the Company The credit agreements governing Mission's, Marshall's and Shield's obligations under their senior secured credit facilities do not contain financial covenant ratio requirements, however, they include events of default if we do not comply with all covenants contained in the credit agreement governing our senior secured credit facility.

The Company may not be able to generate sufficient cash flow to meet its debt service requirements.

The Company's ability to service its debt depends on its ability to generate the necessary cash flow Generation of the necessary cash flow is partially subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Company's control The Company cannot assure you that its business will generate cash flow from operations, that future borrowings will be available to the Company under its current or any replacement credit facilities, or that it will be able to complete any necessary financings, in amounts sufficient to enable the Company to fund its operations or pay its debts and other obligations, or to fund its liquidity needs. If the Company is not able to generate sufficient cash flow to service its debt obligations, it may need to refinance or restructure its debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. Additional financing may not be available in sufficient amounts, at times or on terms acceptable to the Company, or at all If the Company is unable to meet its debt service obligations, its lenders may determine to stop making loans to the Company, and/or the Company's lenders or other holders of its debt could accelerate and declare due all outstanding obligations under the respective agreements, all of which could have a material adverse effect on the Company

The owners of the VIEs may make decisions regarding the operation of their respective stations that could reduce the amount of cash we receive under our local service agreements.

As of December 31, 2018, the VIEs are each 100% owned by independent third parties These entities owned and operated 39 full power television stations We have entered into local service agreements with these VIEs, pursuant to which we provide services to their stations. In return for the services we provide, we receive substantially all of the VIEs' available cash, after satisfaction of their operating costs and any debt obligations.

On June 28, 2018, Marshall amended its senior secured credit facility The amendment refinanced the then outstanding principal balances of Marshall's Term Loan A and revolving credit facility of $48 8 million and $3 0 million, respectively The refinancing was funded by Marshall's new Term Loan A of $51 8 million The amendment also extended the maturity date of Marshall's Term Loan A to December 1, 2019

On October 26, 2018, Mission refinanced its Term Loan B and revolving credit facility The amendment extended the maturity date of Mission's revolving credit facility from July 19, 2022 to October 26, 2023 and reduced the applicable margin portion of the interest rates by 25 basis points for both the Term Loan B and revolving loan

On October 26, 2018, Shield refinanced its Term Loan A. The amendment extended the maturity date from July 19, 2022 to October 26 2023 and reduced the applicable margin portion of the interest rate by 25 basis points

As of December 31, 2018, Mission's senior secured credit facility consists of a Term Loan B with an outstanding balance of $224 6 million due January 17, 2024 and a $3 0 million revolving credit facility, of which nothing was drawn and outstanding Marshall's senior secured credit facility consists of a Term Loan A with an outstanding balance of $45 4 million due December 1, 2019 and a revolving credit facility with an outstanding balance of $5.6 million, also due on December 1, 2019. Shield's senior secured credit facility consists of a Term Loan A with an outstanding balance of $22 6 million due October 26, 2023.

We guarantee full payment of all of the obligations incurred under the Mission, Marshall and Shield senior secured credit facilities in the event of their default All consolidated VIEs, exclusive of Marshall, have granted purchase options that permit Nexstar to acquire the assets and assume the liabilities of each of those VIEs' stations, subject to FCC consent. These purchase options are freely exercisable or assignable by Nexstar without consent or approval by the VIEs

We do not own the VIEs or any of their respective television stations. However, we are deemed under U S. GAAP to have controlling financial interests in the consolidated VIEs because of (1) the local service agreements Nexstar has with the VIEs' stations, (2) Nexstar s guarantees of the obligations incurred under the Mission, Marshall and Shield senior secured credit facilities, (3) Nexstar having power over significant activities affecting the VIEs' economic performance, including budgeting for advertising revenue, advertising sales and, in some cases, hiring and firing of sales force personnel and (4) purchase options granted by each VIE, exclusive of Marshall, which permit Nexstar to acquire the assets and assume the liabilities of each of the VIEs' stations at any time, subject to FCC consent

In compliance with FCC regulations, the VIEs maintain complete responsibility for and control over programming, finances and personnel for their respective stations As a result, the VIEs' boards of directors and officers can make decisions with which we disagree and which could reduce the cash flow generated by these stations and, as a consequence, the amounts we receive under our local service agreements with the VIEs For instance, the VIEs may decide to obtain and broadcast programming which, in our opinion, would prove unpopular and/or would generate less advertising revenue

The Company's pension and other postretirement benefit plans are currently underfunded. A declining stock market and lower interest rates could affect the value of the Company's retirement plan assets and increase its postretirement obligations.

The Company has a funded, qualified non-contributory defined benefit retirement plan which covers certain employees and former employees As of December 31, 2018, these qualified retirement plans were underfunded by approximately $40 8 million. The qualified retirement plans had $330 9 million in total net assets available to pay benefits to participants enrolled in the plans as of December 31, 2018 The Company made no contributions in 2018 to the plan

The Company also has non-contributory unfunded supplemental executive retirement and ERISA excess plans which supplement the coverage of the defined benefit retirement plan to certain employees and former employees As of December 31, 2018, the total liability was $51.9 million The Company also has a retiree medical savings account plan which reimburses eligible retired employees for certain medical expenses and an unfunded plan that provides certain health and life insurance benefits to retired employees who were hired prior to 1992 Although the Company has frozen participation and benefits under all plans, two significant elements in determining the Company's pension expense are the expected return on plan assets and the discount rate used in projecting obligations Large declines in the stock market and lower discount rates increase the Company's expense and may necessitate higher cash contributions to the qualified retirement plans

The recording of deferred tax asset valuation allowances in the future or the impact of tax law changes on such deferred tax assets could affect our operating results.

The Company currently has significant net deferred tax assets resulting from tax credit carryforwards, net operating losses and other deductible temporary differences that are available to reduce taxable income in future periods Based on our assessment of the Company's deferred tax assets, we determined that as of December 31, 2018, based on projected future income, approximately $103 1 million of the Company's deferred tax assets, net of valuation allowance, will more likely than not be realized in the future. Should we determine in the future that these assets will not be realized, the Company will be required to record a valuation allowance in connection with these deferred tax assets and the Company's operating results would be adversely affected in the period such determination is made In addition, tax law changes could negatively impact the Company's deferred tax assets

The Company's ability to use net operating loss carry-forwards ("NOLs") to reduce future tax payments may be limited if taxable income does not reach sufficient levels or there is a change in ownership of Nexstar, Mission, Marshall or certain of our other VIEs.

At December 31, 2018, the Company had NOLs of approximately $148 6 million for U S federal tax purposes and $301 8 million for state tax purposes Federal NOLs generated for years prior to 2018 expire at varying dates through 2037 and NOLs generated in 2018 carry forward indefinitely To the extent available, we intend to use these NOLs to reduce the corporate income tax liability associated with our operations Section 382 ("Section 382") of the Internal Revenue Code of 1986, as amended (the "Code"), generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone significant changes in stock ownership In general, an ownership change, as defined by Section 382, results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders or public groups, which are generally outside of our control

The ability to use NOLs is also dependent upon the Company's ability to generate taxable income The NOLs could expire before the Company generates sufficient taxable income to use them To the extent the Company's use of NOLs is significantly limited, the Company's income could be subject to corporate income tax earlier than it would if it were able to use NOLs, which could have a negative effect on the Company's financial results and operations Changes in ownership are largely beyond the Company's control and the Company can give no assurance that it will continue to have realizable NOLs

The revenue generated by stations we operate or provide services to could decline substantially if they fail to maintain or renew their network affiliation agreements on favorable terms, or at all.

Due to the quality of the programming provided by the networks, stations that are affiliated with a network generally have higher ratings than unaffiliated independent stations in the same market As a result, it is important for stations to maintain their network affiliations Most of the stations that we operate or provide services to have network affiliation agreements As of December 31, 2018, 30 full power television stations have primary affiliation agreements with ABC, 33 with NBC, 32 with FOX, 46 with CBS, 18 with The CW and 14 with MNTV Each of ABC NBC and CBS generally provides affiliated stations with up to 22 hours of prime-time programming per week, while each of FOX, MNTV and The CW provides affiliated stations with up to 15 hours of prime-time programming per week In return, affiliated stations broadcast the respective network's commercials during the network programming

All of the network affiliation agreements of the stations that we own operate, program or provide sales and other services to are scheduled to expire at various times through December 2022 In order to renew certain of our affiliation agreements we may be required to make cash payments to the network and to accept other material modifications of existing affiliation agreements If any of our stations cease to maintain affiliation agreements with their networks for any reason, we would need to find alternative sources of programming which may be less attractive to our audiences and more expensive to obtain In addition, a loss of a specific network affiliation for a station may affect our retransmission consent payments resulting in us receiving less retransmission consent fees Further, some of our network affiliation agreements are subject to earlier termination by the networks under specified circumstances.

For more information regarding these network affiliation agreements, see Item 1, "Business—Network Affiliations"

The loss of or material reduction in retransmission consent revenues or further change in the current retransmission consent regulations could have an adverse effect on our business, financial condition and results of operations.

A significant portion of Nexstar's revenue comes from its retransmission consent agreements with MPVDs (mainly cable and satellite television providers) and OTTDs These agreements permit the distributors to retransmit our stations' signals to their subscribers in exchange for the payment of compensation to us from the system operators as consideration If we are unable to renegotiate these agreements on favorable terms, or at all, the failure to do so could have an adverse effect on our business, financial condition and results of operations.

Though we are typically able to renegotiate our retransmission consent agreements on favorable terms, the payments due us under these agreements are customarily based on a price per subscriber of the applicable distributor. In recent years the subscribership of MVPDs has declined, as the growth of direct Internet streaming of video programming to televisions and mobile devices has incentivized consumers to "cut the cord" and discontinue their cable or satellite service subscriptions Decreasing MVPD subscribership leads to less revenue under our retransmission agreements, which ultimately could have an adverse effect on our business, financial condition and results of operations. Also, refer to "Risks Related to Our Industry – Intense competition in the television industry and alternative forms of media could limit our growth and profitability"

Moreover, the national television broadcast networks have taken the position that they, as the owners or licensees of certain of the programming we broadcast and provide for retransmission, are entitled to a portion of the compensation we receive from MVPDs under our retransmission consent agreements and are requiring their network affiliation agreements with us to provide for such payments All of our affiliation agreements with the broadcast networks also include terms that limit our ability to grant retransmission consent rights to traditional MVPDs as well as OTTDs, services that provide multiple video streaming channels to consumers The need to pay a portion of our retransmission consent revenue to our networks, and network limitations on our ability to enter into retransmission consent agreements, could materially reduce this revenue source to the Company and could have an adverse effect on its business, financial condition and results of operations

In addition, MVPDs are actively seeking to change the regulations under which retransmission consent is negotiated before both the U S Congress and the FCC in order to increase their bargaining leverage with television stations On March 3, 2011, the FCC initiated a Notice of Proposed Rulemaking to reexamine its rules (1) governing the requirements for good faith negotiations between MVPDs and broadcasters, including implementing a prohibition on one station negotiating retransmission consent terms for another station under a local service agreement, (2) for providing advance notice to consumers in the event of dispute, and (3) to extend certain cable-only obligations to all MVPDs. The FCC also asked for comment on eliminating the network non-duplication and syndicated exclusivity protection rules, which may permit MVPDs to import out-of-market television stations in certain circumstances

On March 31, 2014, the FCC amended its rules governing "good faith" retransmission consent negotiations to provide that it is a per se violation of the statutory duty to negotiate in good faith for a television broadcast station that is ranked among the top-four stations in a market (as measured by audience share) to negotiate retransmission consent jointly with another top-four station in the same market if the stations are not commonly owned On December 5, 2014, the U S Congress extended the joint negotiation prohibition to all non-commonly owned television stations in a market. Under this rule and the subsequent legislation, same-market stations may not (1) delegate authority to negotiate or approve a retransmission consent agreement to another non-commonly owned station located in the same DMA or to a third-party that negotiates on behalf of another non-commonly owned television station in the same DMA, or (2) if not commonly owned, facilitate or agree to facilitate coordinated negotiation of retransmission consent terms between themselves, including through the sharing of information Accordingly, the VIEs with which we have sharing agreements must separately negotiate their respective retransmission consent agreements with MVPDs and OTTDs

Concurrently with its adoption of the prohibition on certain joint retransmission consent negotiations, the FCC also adopted a further notice of proposed rulemaking which seeks additional comment on the elimination or modification of the network non-duplication and syndicated exclusivity rules The FCC's prohibition on certain joint retransmission consent negotiations and its possible elimination or modification of the network non-duplication and syndicated exclusivity protection rules may affect the Company's ability to sustain its current level of retransmission consent revenues or grow such revenues in the future and could have an adverse effect on the Company's business, financial condition and results of operations The Company cannot predict the resolution of the FCC's network non-duplication and syndicated exclusivity proposals, or the impact of these proposals, on its business

In addition, in the STELA Reauthorization Act of 2014, which was adopted and signed into law in December 2014, the U S Congress directed the FCC to commence a rulemaking to "review its totality of the circumstances test for good faith [retransmission consent] negotiations" The FCC commenced this proceeding in September 2015, and comments and reply comments were submitted in 2015 and 2016 In July 2016, the then-Chairman of the FCC announced that the agency would not adopt additional rules in this proceeding However, the proceeding remains open

Certain online video distributors and other OTTDs have begun streaming broadcast programming over the Internet In June 2014, the U S Supreme Court held that an OTTD's retransmissions of broadcast television signals without the consent of the broadcast station violate copyright holders' exclusive right to perform their works publicly as provided under the Copyright Act. In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term "MVPD" to encompass OTTDs that make available for purchase multiple streams of video programming distributed at a prescheduled time and seeking comment on the effects of applying MVPD rules to such OTTDs Comments and reply comments were filed in 2015 Although the FCC has not classified OTTDs as MVPDs to date, several OTTDs have signed agreements for retransmission of local stations within their markets, and others are actively seeking to negotiate such agreements If the FCC ultimately determines that an OTTD is not an MVPD or declines to apply certain rules governing MVPDs to OTTDs, our business and results of operations could be materially and adversely affected

The FCC could decide not to grant renewal of the FCC license of any of the stations we operate or provide services to which would require that station to cease operations.

Television broadcast licenses are granted for a maximum term of eight years and are subject to renewal upon application to the FCC. The FCC is required to grant an application for license renewal if, during the preceding term, the station served the public interest, the licensee did not commit any serious violations of the Communications Act or the FCC's rules, and the licensee committed no other violations of the Communications Act or the FCC's rules which, taken together, would constitute a pattern of abuse A majority of renewal applications are routinely granted under this standard If a licensee fails to meet this standard the FCC may still grant renewal on terms and conditions that it deems appropriate, including a monetary forfeiture or renewal for a term less than the normal eight-year period However, in an extreme case, the FCC may deny a station's license renewal application, resulting in termination of the station's authority to broadcast Under the Communications Act, the term of a broadcast license is automatically extended during the pendency of the FCC's processing of a timely renewal application The Company expects the FCC to grant future renewal applications for its stations in due course but cannot provide any assurances that the FCC will do so.

The loss of the services of our chief executive officer could disrupt management of our business and impair the execution of our business strategies.

We believe that our success depends upon our ability to retain the services of Perry A Sook, our founder and President and Chief Executive Officer Mr Sook has been instrumental in determining our strategic direction and focus The loss of Mr Sook's services could adversely affect our ability to manage effectively our overall operations and successfully execute current or future business strategies On January 15, 2019, we extended Mr Sook's executive employment agreement with Nexstar until February 28, 2023, with automatic renewal for successive one-year periods

The Company's growth may be limited if it is unable to implement its acquisition strategy.

The Company has achieved much of its growth through acquisitions The Company intends to continue its growth by selectively pursuing acquisitions of television stations The television broadcast industry is undergoing consolidation, which may reduce the number of acquisition targets and increase the purchase price of future acquisitions Some of the Company's competitors may have greater financial or management resources with which to pursue acquisition targets Therefore, even if the Company is successful in identifying attractive acquisition targets, it may face considerable competition and its acquisition strategy may not be successful

FCC rules and policies may also make it more difficult for the Company to acquire additional television stations Television station acquisitions are subject to the approval of the FCC and, potentially, other regulatory authorities FCC rules limit the number of television stations a company may own and define the types of local service agreements that "count" as ownership by the party providing the services Those rules are subject to change The need for FCC and other regulatory approvals could restrict the Company's ability to consummate future transactions, including the proposed acquisition of Tribune, if, for example, the FCC or other government agencies believe that a proposed transaction would result in excessive concentration or other public interest detriment in a market, even if the proposed combination may otherwise comply with FCC ownership limitations Additionally, our television acquisitions over the past several years have significantly increased the Company's national audience reach to a level that approaches national television ownership limits imposed by the Communications Act and FCC rules This may restrict future television station acquisitions by the Company and may require the Company to divest current stations in connection with any acquisition in order to comply with national television ownership limits

Growing the Company's business through acquisitions involves risks and if it is unable to manage effectively its growth, its operating results will suffer.

During the three years ended December 31, 2018, the Company acquired or assumed the agreements to provide services to a total of 79 full power television stations, net of divestitures, of which 65 full power stations in 42 markets were acquired or local service agreements assumed through our merger with Media General, Inc ("Media General"), net of required station divestitures previously owned by us and Media General and a relinquishment of a station pursuant to the completed spectrum auction in 2017 Following these transactions, we now own, operate, program or provide sales and other services to 174 full power television stations in 100 markets Additionally, we have entered into a definitive merger agreement to acquire Tribune's outstanding equity for cash consideration Tribune currently owns, operates or provides services to 42 television stations To manage effectively its growth and address the increased reporting requirements and administrative demands that will result from future acquisitions, the Company will need, among other things, to continue to develop its financial and management controls and management information systems The Company will also need to continue to identify, attract and retain highly skilled finance and management personnel Failure to do any of these tasks in an efficient and timely manner could seriously harm its business

There are other risks associated with growing our business through acquisitions For example, with any past or future acquisition, there is the possibility that

- we may not be able to successfully reduce costs, increase advertising revenue or audience share or realize anticipated synergies and economies of scale with respect to any acquired station,
- we may not be able to generate adequate returns on our acquisitions or investments;
- we may encounter and fail to address risks or other problems associated with or arising from our reliance on the representations and warranties and related indemnities, if any, provided to us by the sellers of acquired companies,
- an acquisition may increase our leverage and debt service requirements or may result in our assuming unexpected liabilities,
- our management may be reassigned from overseeing existing operations by the need to integrate the acquired business,
- we may experience difficulties integrating operations and systems, as well as company policies and cultures;
- we may be unable to retain and grow relationships with the acquired company's key customers,
- we may fail to retain and assimilate employees of the acquired business, and
- problems may arise in entering new markets in which we have little or no experience

The occurrence of any of these events could have a material adverse effect on our operating results, particularly during the period immediately following any acquisition

FCC actions may restrict our ability to create duopolies under local service agreements or common ownership, which may harm our existing operations and impair our acquisition strategy.

In a number of our markets, we have created duopolies by entering into what we refer to as local service agreements While these agreements take varying forms, a typical local service agreement is an agreement between two separately owned television stations serving the same market whereby the owner of one station provides operational assistance to the other station, subject to ultimate editorial and other controls being exercised by the latter station's owner By operating or entering into local service agreements with same-market stations, we (and the other station) achieve significant operational efficiencies. We also broaden our audience reach and enhance our ability to capture more advertising spending in a given market. Additionally, we achieve significant operational efficiencies by owning multiple stations in a market where FCC rules allow us to do so

The FCC is required to review its media ownership rules every four years and eliminate those rules it finds no longer serve the "public interest, convenience and necessity" In August 2016, the FCC adopted the 2016 Ownership Order concluding the agency's 2010 and 2014 quadrennial reviews The 2016 Ownership Order (1) retained the then-existing local television ownership rule and radio/television cross-ownership rule with minor technical modifications, (2) extended the ban on common ownership of two top-four television stations in a market to network affiliation swaps, (3) retained the then-existing ban on newspaper/broadcast cross-ownership in local markets while considering waivers and providing an exception for failed or failing entities, (4) retained the dual network rule, (5) made JSA relationships attributable interests, and (6) defined a category of sharing agreements designated as SSAs between stations and required public disclosure of those SSAs (while not considering them attributable)

Nexstar and other parties filed petitions seeking reconsideration of various aspects of the 2016 Ownership Order. On November 16, the FCC adopted the Reconsideration Order addressing the petitions for reconsideration. The Reconsideration Order (1) eliminated the prohibiting newspaper/broadcast cross-ownership and limiting television/radio cross-ownership, (2) eliminated the requirement that eight ture independently-owned television stations remain in a market for common ownership of two television stations in the market to be nissible, (3) retained the general prohibition on common ownership of two "top four" stations in a local market but provided for case-by-se review, (4) eliminated the television JSA attribution rule, and (5) retained the SSA definition and disclosure requirement for television ations. These rule modifications took effect on February 7, 2018, when the Third Circuit denied a mandamus petition which had sought to ay their effectiveness. The Reconsideration Order remains subject to an appeal before the Third Circuit.

In December 2018, the FCC initiated its 2018 quadrennial review with the issuance of a Notice of Proposed Rulemaking. Among other things, the FCC seeks comment on all aspects of the local television ownership rule's implementation and whether the current version of the rule remains necessary in the public interest. Comments and reply comments in the 2018 quadrennial review are due in the first and second quarters of 2019.

The 2016 Ownership Order reinstated a rule that attributed another in-market station toward the local television ownership limits when one station owner sells more than 15% of the second station's weekly advertising inventory under a JSA (this rule had been previously adopted but was vacated by the Third Circuit). Parties to JSAs entered into prior to March 31, 2014 were permitted to continue to operate under these JSAs until September 30, 2025. However, in its November 2017 Reconsideration Order, the FCC eliminated the JSA attribution rule in its entirety. This elimination took effect on February 7, 2018, although the Reconsideration Order remains subject to a federal court appeal.

We cannot predict what additional rules the FCC will adopt or when they will be adopted. In addition, uncertainty about media ownership regulations and adverse economic conditions have dampened the acquisition market from time to time, and changes in the regulatory approval process may make materially more expensive, or may materially delay, the Company's ability to close upon currently pending acquisitions or consummate further acquisitions in the future.

The FCC may decide to terminate "grandfathered" time brokerage agreements.

The FCC attributes TBAs and LMAs to the programmer under its ownership limits if the programmer provides more than 15% of a station's weekly broadcast programming. However, TBAs and LMAs entered into prior to November 5, 1996 are exempt from attribution for now.

The FCC may review these "grandfathered" TBAs and LMAs in the future. During this review, the FCC may determine to terminate the "grandfathered" period and make all TBAs and LMAs fully attributable to the programmer. If the FCC does so, we will be required to terminate or modify our grandfathered TBAs and LMAs unless the FCC's rules allow ownership of two stations in the applicable markets. As of December 31, 2018, we provide services under "grandfathered" TBAs or LMAs to five television stations owned by third parties.

We are subject to foreign ownership limitations which limits foreign investments in us.

The Communications Act limits the extent of non-U.S. ownership of companies that own U.S. broadcast stations. Under this restriction, the holder of a U.S. broadcast license may have no more than 20% non-U.S. ownership (by vote and by equity). The Communications Act prohibits more than 25% indirect foreign ownership or control of a licensee through a parent company unless the FCC determines the public interest will not be served by enforcement of such restriction. The FCC has interpreted this provision to require an affirmative public interest showing before indirect foreign ownership of a broadcast licensee may exceed 25%. Therefore, certain investors may be prevented from investing in us if our foreign ownership is at or near the FCC limits.

The FCC's multiple ownership rules may limit our ability to acquire television stations in particular markets, restricting our ability to execute our acquisition strategy.

The number of television stations we may acquire in any local market or nationwide is limited by FCC rules and may vary depending upon whether the interests in other television stations or other media properties of persons affiliated with us are attributable under FCC rules. The broadcast television interests of our officers, directors and most stockholders with 5% or greater voting power are attributable under the FCC's rules, which may limit us from acquiring or owning television stations in particular markets while those officers, directors or stockholders are associated with us. In addition, the holder of otherwise non-attributable equity and/or debt in a licensee in excess of 33% of the total debt and equity of the licensee will be attributable where the holder is either a major program supplier to that licensee or the holder has an attributable interest in another broadcast station in the same market that is subject to the FCC's media ownership rules.

The Company has a material amount of goodwill and intangible assets, and therefore the Company could suffer additional losses due to future asset impairment charges.

As of December 31, 2018, $5.4 billion, or 77.0%, of the Company's combined total assets consisted of goodwill and intangible assets, including FCC licenses and network affiliation agreements. The Company recorded an impairment charge of $19.9 million during the year ended December 31, 2018 attributable to the goodwill of its digital businesses. The Company tests goodwill and FCC licenses annually, and on an interim date if factors or indicators become apparent that would require an interim test of these assets, in accordance with accounting and disclosure requirements for goodwill and other intangible assets. The Company tests its finite-lived intangible assets whenever circumstances or indicators become apparent that the asset may not be recoverable through expected future cash flows. The methods used to evaluate the impairment of the Company's goodwill and intangible assets would be affected by a significant reduction, or a forecast of such reductions, in operating results or cash flows at the Company's broadcast business or at one or more of the Company's digital businesses. Our broadcast business' operating results and cash flows could be affected by a significant adverse change in the advertising marketplaces in which the Company's television stations operate, the loss of network affiliations or by adverse changes to FCC ownership rules, among others, which may be beyond the Company's control. Our digital business' operating results and cash flows could be affected by intense competition, investment in technologies that are subject to a greater degree of obsolescence, significant reliance on third-party vendors to deliver services, rapid evolving nature and other factors. If the carrying amount of goodwill and intangible assets is revised downward due to impairment, such non-cash charge could materially affect the Company's financial position and results of operations.

There can be no assurances concerning continuing dividend payments and any decrease or suspension of the dividend could cause our stock price to decline.

Our common stockholders are only entitled to receive the dividends declared by our board of directors. Our board of directors has declared in 2019 a total cash dividend with respect to the outstanding shares of our Class A common stock of $1.80 per share in equal quarterly installments of $0.45 per share. We expect to continue to pay quarterly cash dividends at the rate set forth in our current dividend policy. However, future cash dividends, if any, will be at the discretion of our board of directors and can be changed or discontinued at any time. Dividend determinations (including the amount of the cash dividend, the record date and date of payment) will depend upon, among other things, our future operations and earnings, targeted future acquisitions, capital requirements and surplus, general financial condition, contractual restrictions and other factors as our board of directors may deem relevant. In addition, the Company's senior secured credit facilities and the indentures governing our existing notes limit our ability to pay dividends. Given these considerations, our board of directors may increase or decrease the amount of the dividend at any time and may also decide to suspend or discontinue the payment of cash dividends in the future.

We have made investments in digital businesses.

We have invested in various digital media businesses as well as digital offerings for each of our broadcast stations. Due to intense competition, investment in technologies that are subject to a greater degree of obsolescence, historical impairment losses on our digital assets, significant reliance on third-party vendors to deliver services, limited operating history, the rapid evolving nature of digital businesses and difficulties in integrating acquisitions into our operations, the actual future operating results could be volatile and negatively impact the year-to-year trends of our operations.

Cybersecurity risks could affect the Company's operating effectiveness.

The Company uses computers in substantially all aspects of its business operations. Its revenues are increasingly dependent on digital products. Such use exposes the Company to potential cyber incidents resulting from deliberate attacks or unintentional events. It is not uncommon for a company such as ours to be subjected to continuous attempted cyber-attacks or other malicious efforts to cause a cyber incident. These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. The results of these incidents could include, but are not limited to, business interruption, disclosure of nonpublic information, decreased advertising revenues, misstated financial data, liability for stolen assets or information, increased cybersecurity protection costs, litigation and reputational damage adversely affecting customer or investor confidence. The Company's Cybersecurity Committee helps mitigate cybersecurity risks. The role of the committee is to oversee cyber risk assessments, monitor applicable key risk indicators, review cybersecurity training procedures, establish cybersecurity policies and procedures, and to invest in and implement enhancements to the Company's cybersecurity infrastructure. Investments over the past year included enhancements to monitoring systems, firewalls, and intrusion detection systems.

elated to Our Industry

r operating results are dependent on advertising revenue and as a result, we may be more vulnerable to economic downturns and her factors beyond our control than businesses not dependent on advertising.

We derive a majority of our revenue from the sale of advertising time on our stations and community portal websites. Our ability to sell vertising time depends on numerous factors that may be beyond our control, including:

- the health of the economy in the local markets where our stations are located and in the nation as a whole;
- the popularity of our station and website programming;
- fluctuations in pricing for local and national advertising;
- the activities of our competitors, including increased competition from other forms of advertising-based media, particularly newspapers, cable television, Internet and radio;
- the decreased demand for political advertising in non-election years; and
- changes in the makeup of the population in the areas where our stations are located.

Because businesses generally reduce their advertising budgets during economic recessions or downturns, the reliance upon advertising revenue makes our operating results susceptible to prevailing economic conditions. In addition, our programming may not attract sufficient targeted viewership, and we may not achieve favorable ratings. Our ratings depend partly upon unpredictable and volatile factors beyond our control, such as viewer preferences, competing programming and the availability of other entertainment activities. A shift in viewer preferences could cause our programming not to gain popularity or to decline in popularity, which could cause our advertising revenue to decline. Further, we and the programming providers upon which we rely may not be able to anticipate, and effectively react to, shifts in viewer tastes and interests in our markets.

Because a high percentage of our operating expense is fixed, a relatively small decrease in advertising revenue could have a significant negative impact on our financial results.

Our business is characterized generally by high fixed costs, primarily for debt service, broadcast rights and personnel. Other than commissions paid to our sales staff and outside sales agencies, our expenses do not vary significantly with an increase or decrease in advertising revenue. As a result, a relatively small change in advertising prices could have a disproportionate effect on our financial results. Accordingly, a minor shortfall in expected revenue could have a significant negative impact on our financial results.

Preemption of regularly scheduled programming by news coverage may affect our revenue and results of operations.

The Company may experience a loss of advertising revenue and incur additional broadcasting expenses due to preemption of our regularly scheduled programming by network coverage of a major global news event such as a war or terrorist attack or by coverage of local disasters, such as tornados and hurricanes. As a result, advertising may not be aired and the revenue for such advertising may be lost unless the station is able to run the advertising at agreed-upon times in the future. Advertisers may not agree to run such advertising in future time periods, and space may not be available for such advertising. The duration of any preemption of programming cannot be predicted if it occurs. In addition, our stations and the stations we provide services to may incur additional expenses as a result of expanded news coverage of a war or terrorist attack or local disaster. The loss of revenue and increased expenses could negatively affect our results of operations.

If we are unable to respond to changes in technology and evolving industry trends, our television businesses may not be able to compete effectively.

New technologies may adversely affect our television stations. Information delivery and programming alternatives such as cable, direct satellite-to-home services, pay-per-view, video on demand, over-the-top distribution of programming, the Internet, telephone company services, mobile devices, digital video recorders and home video and entertainment systems have fractionalized television viewing audiences and expanded the numbers and types of distribution channels for advertisers to access. Over the past decade, cable television programming services, other emerging video distribution platforms and the Internet have captured an increasing market share, while the aggregate viewership of the major television networks has declined. In addition, the expansion of cable and satellite television, digital delivery and other technological changes has increased, and may continue to increase, the competitive demand for programming. Such increased demand, together with rising production costs, may increase our programming costs or impair our ability to acquire or develop desired programming.

In addition, video compression techniques now in use are expected to permit greater numbers of channels to be carried within existing bandwidth. These compression techniques and other technological developments are applicable to all video delivery systems, including over-the-air broadcasting, and have the potential to provide vastly expanded programming to targeted audiences. Reduction in the cost of creating additional channel capacity could lower entry barriers for new channels and encourage the development of increasingly specialized niche programming, resulting in more audience fractionalization. This ability to reach very narrowly defined audiences may alter the competitive dynamics for advertising expenditures. We are unable to predict the effect that these and other technological changes will have on the television industry or our results of operations.

The FCC can sanction us for programming broadcast on our stations which it finds to be indecent.

The FCC may impose substantial fines, to a maximum of $325,000 per violation, on television broadcasters for the broadcast of indecent material in violation of the Communications Act and its rules. Because the Company's programming is in large part comprised of programming provided by the networks with which the stations are affiliated, the Company does not have full control over what is broadcast on its stations and may be subject to the imposition of fines if the FCC finds such programming to be indecent.

In June 2012, the U.S. Supreme Court decided a challenge to the FCC's indecency enforcement without resolving the constitutionality of such enforcement, and the FCC thereafter requested public comment on the appropriate substance and scope of its indecency enforcement policy. The FCC has issued very few further decisions or rules in this area, and the courts may in the future have further occasion to review the FCC's current policy or any modifications thereto. The outcomes of these proceedings could affect future FCC policies in this area and could have a material adverse effect on our business.

Intense competition in the television industry and alternative forms of media could limit our growth and profitability.

As a television broadcasting company, we face a significant level of competition, both directly and indirectly. We generally compete for our audience against all the other leisure activities in which one could choose to engage rather than watch television. Specifically, stations we own or provide services to compete for audience share, programming and advertising revenue with other television stations in their respective markets and with other advertising media, including newspapers, radio stations, cable television, DBS systems, mobile services, video streaming services and the Internet.

The entertainment and television industries are highly competitive and are undergoing a period of consolidation. Many of our current and potential competitors have greater financial, marketing, programming and broadcasting resources than we do. The markets in which we operate are also in a constant state of change arising from, among other things, technological improvements and economic and regulatory developments. Technological innovation and the resulting proliferation of television entertainment, such as cable television, wireless cable, satellite-to-home distribution services, pay-per-view, home video and entertainment systems and Internet and mobile distribution of video programming have fractionalized television viewing audiences and have subjected free over-the-air television broadcast stations to increased competition. We may not be able to compete effectively or adjust our business plans to meet changing market conditions.

Technologies used in the entertainment industry continue to evolve rapidly, leading to alternative methods for the delivery and storage of digital content. These technological advancements have driven changes in consumer behavior and have empowered consumers to seek more control over when, where and how they consume news and entertainment, including through the so-called "cutting the cord" and other consumption strategies. The networks have also begun streaming some of their programming on the Internet and other distribution platforms simultaneously with, or in close proximity to, network programming broadcast on local television stations, including those we own or provide services to. These innovations and other practices by the networks dilute the exclusivity and value of network programming originally broadcast by the local stations and may adversely affect the business, financial condition and results of operations of our stations. We are unable to predict what forms of competition will develop in the future, the extent of the competition or its possible effects on our business.

The FCC could implement regulations or the U.S. Congress could adopt legislation that might have a significant impact on the operations of the stations we own and the stations we provide services to or the television broadcasting industry as a whole.

The FCC has open proceedings to determine whether to standardize TV stations' reporting of programming responsive to local needs and interests, whether to modify its network non-duplication and syndicated exclusivity rules, whether to modify its standards for "good faith" retransmission consent negotiations, and whether to broaden the definition of "MVPD" to include "over-the-top" video programming distributors. Additionally, FCC proceedings to determine whether to modify or eliminate certain of its broadcast ownership rules are the subject of pending court appeals, and the FCC has initiated its next quadrennial proceeding to review the agency's media ownership rules.

The FCC also has sought comment on whether there are alternatives to the use of DMAs to define local markets such that certain viewers whose current DMAs straddle multiple states would be provided with more in-state broadcast programming If the FCC determines to modify the use of existing DMAs to determine a station's local market, such change might materially alter current station operations and could have an adverse effect on our business, financial condition and results of operations

The FCC also may decide to initiate other new rule-making proceedings on its own or in response to requests from outside parties, any of which might have such an impact. The U S Congress may also act to amend the Communications Act in a manner that could impact our stations and the stations we provide services to or the television broadcast industry in general

The FCC is reallocating a portion of the spectrum available for use by television broadcasters to wireless broadband use, which could substantially impact our future operations and may reduce viewer access to our programming.

The FCC is in the process of repurposing a portion of the broadcast television spectrum for wireless broadband use Pursuant to federal legislation enacted in 2012, the FCC conducted an incentive auction for the purpose of making additional spectrum available to meet future wireless broadband needs Under the auction statute and rules, certain television broadcasters accepted bids from the FCC to voluntarily relinquish all or part of their spectrum in exchange for consideration, and certain wireless broadband providers and other entities submitted successful bids to acquire the relinquished television spectrum Over the next several years, television stations that are not relinquishing their spectrum are being "repacked" into the frequency band still remaining for television broadcast use

The incentive auction commenced on March 29, 2016 and officially concluded on April 13, 2017 Ten of Nexstar's stations and one station owned by Vaughan, a consolidated VIE, accepted bids to relinquish their spectrum Of these 11 total stations, one station went off the air in November 2017 The station that went off the air is not expected to have a significant impact on our future financial results because it is located in a remote rural area of the country and the Company has other stations which serve the same area. Of the remaining ten stations, eight have ceased broadcasting on their current channels and implemented channel sharing arrangements The remaining two stations moving to very high frequency ("VHF") channels must vacate their current channels by September 2019 and May 2020, respectively

The majority of the Company's television stations did not accept bids to relinquish their television channels Of those stations, 61 full power stations owned by Nexstar and 17 full power stations owned by VIEs have been assigned to new channels in the reduced post-auction television band. These "repacked" stations are required to construct and license the necessary technical modifications to operate on their new assigned channels and must cease operating on their former channels, by deadlines which the FCC has established and which are no later than July 13, 2020 Congress has allocated up to an industry-wide total of $2.75 billion to reimburse television broadcasters, MVPDs and other parties for costs reasonably incurred due to the repack. This allocation includes $1 billion added to the TV Broadcaster Relocation Fund as part of the Consolidated Appropriations Act, 2018 This fund is not available to reimburse repacking costs for stations which are surrendering their spectrum and entering into channel sharing relationships Broadcasters and MVPDs have submitted estimates to the FCC of their reimbursable costs As of February 6, 2019, these costs were approximately $1 9 billion, and the FCC has indicated that it expects those costs to rise In 2018 and 2017, the Company spent a total of $29 4 million in capital expenditures related to station repack, all of which have been reimbursed by the FCC in 2018. As of December 31, 2018, approximately $192 0 million of estimated remaining costs in connection with the station repack are expected to be incurred by the Company, some or all of which will be reimbursable We cannot determine if the FCC will be able to fully reimburse our repacking costs as this is dependent on certain factors, including our ability to incur repacking costs that are equal to or less than the FCC's allocation of funds to us and whether the FCC will have available funds to reimburse us for additional repacking costs that we previously may not have anticipated Whether the FCC will have available funds for additional reimbursements will also depend on the repacking costs that will be incurred by other broadcasters, MVPDs and other parties that are also seeking reimbursements

The reallocation of television spectrum to broadband use may be to the detriment of our investment in digital facilities, could require substantial additional investment to continue our current operations, and may require viewers to invest in additional equipment or subscription services to continue receiving broadcast television signals We cannot predict the impact of the incentive auction and subsequent repacking on our business

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have office space for our corporate headquarters in Irving, TX, which is leased through 2024 Each of our markets has facilities consisting of offices, studios, sales offices and tower and transmitter sites We own approximately 61% of our office and studio locations and approximately 44% of our tower and transmitter locations The remaining properties that we utilize are leased We consider all of our properties, together with equipment contained therein, to be adequate for our present needs We continually evaluate our future needs and from time to time will undertake significant projects to replace or upgrade facilities

While none of our owned or leased properties are individually material to our operations, if we were required to relocate any towers, the cost could be significant This is because the number of sites in any geographic area that permit a tower of reasonable height to provide good coverage of the market is limited, and zoning and other land use restrictions, as well as Federal Aviation Administration and FCC regulations, limit the number of alternative locations or increase the cost of acquiring them for tower sites See Item 1, "Business—The Stations" for a complete list of stations by market

Item 3. Legal Proceedings

From time to time, the Company is involved in litigation that arises from the ordinary course of business, such as contractual or employment disputes or other general actions In the event of an adverse outcome of these legal proceedings, the Company believes the resulting liabilities would not have a material adverse effect on the Company's financial condition, results of operations or cash flows

On March 16, 2018, a group of companies including Nexstar (the "Defendants") received a Civil Investigative Demand from the Antitrust Division of the DOJ regarding an investigation into the exchange of certain information related to the pacing of sales related to the same period in the prior year among broadcast stations in some DMAs in alleged violation of federal antitrust law Other Defendants entered into a proposed consent decree with the DOJ on November 6, 2018 Without admitting any wrongdoing, Nexstar agreed to settle the matter with the DOJ on December 5, 2018. The DOJ filed an amended complaint adding Nexstar to the consent decree on December 13, 2018. The consent decree, which settles any claims by the government of alleged violations of federal antitrust laws in connection with the alleged information sharing, does not include any financial penalty Pursuant to the consent decree, we have agreed not to exchange certain non-public information with other stations operating in the same DMA except in certain cases, to implement certain antitrust compliance measures and to monitor and report on compliance with the consent decree

On July 30, 2018, Clay, Massey & Associates, PC filed an antitrust class action complaint in the U.S. District Court for the Northern District of Illinois on behalf of itself and all others similarly situated against Gray Television, Inc , Hearst Communications, Nexstar Media Group, Inc , Tegna Inc , Tribune Media Company and Sinclair Broadcast Group, Inc The lawsuit alleges unlawful coordination between broadcast television station owners to artificially increase prices of television spot advertisements in violation of Section 1 of the Sherman Act (15 U S C §1) Nexstar has since been named in 15 similar complaints, including ten in the Northern District of Illinois, three in the Southern District of New York, and two in the District of Maryland Each complaint includes similar allegations and claims a violation of Section 1 of the Sherman Act One, filed in the District of Maryland, also alleges violations of state antitrust and consumer protection statutes and a claim for unjust enrichment

On October 9, 2018, these cases were consolidated in a multi-district litigation in the District Court for the Northern District of Illinois captioned *In Re. Local TV Advertising Antitrust Litigation*, No 1 18-cv-06785 ("MDL Litigation") On January 23, 2019, the Court in the MDL Litigation appointed plaintiffs' lead and liaison counsel The MDL Litigation is ongoing Nexstar denies the allegations against it and will defend its advertising practices as necessary

Item 4. Mine Safety Disclosures

None

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Prices; Record Holders and Dividends

Our Class A Common Stock trades on The NASDAQ Global Select Market ("NASDAQ") under the symbol "NXST"

As of February 26, 2019, there were approximately 24,000 shareholders of record of our Class A Common Stock, including shares held in nominee names by brokers and other institutions

Pursuant to our current dividend policy, our board of directors declared in 2018, 2017 and 2016 total annual cash dividends of $1 50 per share, $1 20 per share and $0 96 per share, respectively, with respect to outstanding shares of our Class A common stock The dividends were paid in equal quarterly installments

On January 25, 2019 our board of directors approved a 20% increase in the quarterly cash dividend to $0 45 per share of outstanding Class A Common Stock beginning with the first quarter of 2019 Dividend determinations will depend upon, among other things, our future operations and earnings, targeted future acquisitions, capital requirements and surplus, general financial condition, contractual restrictions and other factors as our board of directors may deem relevant Additionally, the Company's senior secured credit facilities and the indentures governing its existing notes limit its ability to pay dividends Given these considerations, our board of directors may increase or decrease the amount of dividends at any time and may also decide to suspend or discontinue the payment of cash dividends in the future

Recent Sales of Unregistered Securities

None

Issuer Purchases of Equity Securities

None

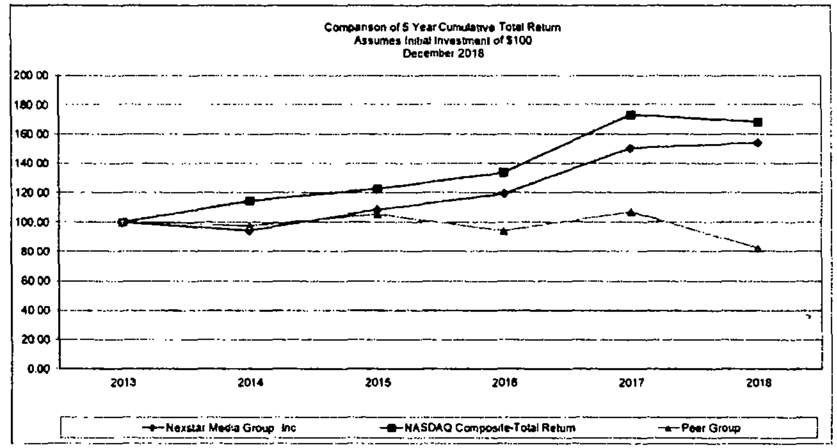
Securities Authorized for Issuance Under Equity Compensation Plans as of December 31, 2018

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	1,809,268	$21.92	853,813
Equity compensation plans not approved by security holders	—	—	—
Total	1,809,268	$21.92	853,813

For a more detailed description of our equity plans and grants, we refer you to Note 10 to the Consolidated Financial Statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K

Comparative Stock Performance Graph

The following graph compares the total return of our Class A Common Stock based on closing prices for the period from December 31, 2013 through December 31, 2018 with the total return of the NASDAQ Composite Index and our peer index of pure play television companies Our peer index consists of the following publicly traded companies Gray Television, Inc , Tegna, Inc and Sinclair Broadcast Group, Inc. The graph assumes the investment of $100 in our Class A Common Stock and in both of the indices on December 31, 2013, with the reinvestment of dividends into shares of our Class A Common Stock or the indices, as applicable The performance shown is not necessarily indicative of future performance



		12/31/13		12/31/14		12/31/15		12/31/16		12/31/17		12/31/18
Nexstar Media Group, Inc (NXST)	$	100 00	$	94 26	$	108 36	$	119 32	$	150 20	$	154 16
NASDAQ Composite Index	$	100 00	$	114 75	$	122 74	$	133 62	$	173 22	$	168 30
Peer Group	$	100 00	$	97 60	$	105 49	$	94 39	$	106 95	$	82 47

Item 6. Selected Financial Data

The selected consolidated financial data as of and for the years ended December 31, 2018, 2017, 2016, 2015 and 2014 are presented in the table below. The period-to-period comparability of our consolidated financial statements is affected by acquisitions. In 2018, we acquired or began services to five full power television stations and acquired one digital media business. In 2017, we acquired or began services to 65 full power television stations, net of station divestitures, and acquired two digital businesses. In 2016, we acquired nine full power television stations, including consolidated VIEs. In 2015, we acquired 14 full power television stations, including consolidated VIEs, and two digital media businesses. This information should be read in conjunction with Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related Notes included herein. Amounts below are presented in thousands, except per share amounts.

	2018	2017	2016	2015	2014
Statements of Operations Data, for the years ended December 31					
Net revenue	$ 2,766,696	$ 2,431,966	$ 1,103,190	$ 896,377	$ 631,311
Operating expenses (income)					
Corporate expenses	110,921	138,394	51,177	44,856	35,174
Direct operating expenses, net of trade	1,101,423	978,930	371,242	293,288	178,781
Selling, general and administrative expenses, excluding corporate	469,012	466,712	212,429	187,624	140,255
Trade and barter expense	16,494	56,970	45,439	46,651	31,333
Depreciation	109,789	100,658	51,300	47,222	35,047
Amortization of intangible assets	149,406	159,500	46,572	48,475	25,850
Amortization of broadcast rights, excluding barter	61,342	62,908	22,461	22,154	11,634
Goodwill and intangible assets impairment(1)	19,911	19,985	15,262	-	-
Gain on disposal of stations, net(2)	-	(57,716)	-	-	-
Reimbursement from the FCC related to station repack(3)	(29,381)	-	-	-	-
Total operating expenses	2,008,917	1,926,341	815,882	690,270	458,074
Income from operations(4)	757,779	505,625	287,308	206,107	173,237
Interest expense, net	(220,994)	(241,195)	(116,081)	(80,520)	(61,959)
Loss on extinguishment of debt, net(5)	(12,120)	(34,882)	-	-	(71)
Pension and other postretirement plans credit, net(6)	10,755	13,120	-	-	-
Other expenses	(2,475)	(1,284)	(555)	(517)	(556)
Income before income taxes	532,945	241,384	170,672	125,070	110,651
Income tax (expense) benefit(7)	(144,680)	233,943	(77,572)	(48,687)	(46,101)
Net income	388,265	475,327	93,100	76,383	64,550
Net loss (income) attributable to noncontrolling interests	1,212	(330)	(1,563)	1,301	-
Net income attributable to Nexstar Media Group, Inc	$ 389,477	$ 474,997	$ 91,537	$ 77,684	$ 64,550
Net income per common share attributable to Nexstar Media Group, Inc					
Basic	$ 8.52	$ 10.38	$ 2.98	$ 2.50	$ 2.10
Diluted	$ 8.21	$ 10.07	$ 2.89	$ 2.42	$ 2.02
Weighted average common shares outstanding					
Basic	45,718	45,754	30,687	31,100	30,774
Diluted	47,412	47,149	31,664	32,091	32,003

(1) Certain of our digital businesses recognized impairment charges related to goodwill and finite-lived intangible assets during the years ended December 31, 2018, 2017 and 2016. For additional information, refer to Note 5 to our Consolidated Financial Statements in Part IV, Item 15(a) of this Form 10-K.

(2) In connection with our merger with Media General on January 17, 2017, we sold the assets of 12 full power television stations in 12 markets, five of which were previously owned by us and seven of which were previously owned by Media General. These divestitures resulted in a $57.7 million net gain on disposals.

(3) Certain of the Company's stations have been assigned with new channels ("repack") in connection with the FCC's process of repurposing a portion of the broadcast television spectrum for wireless broadband use. These stations are currently spending costs, mainly capital expenditures, to construct and license the necessary technical modifications to operate on their newly assigned channels and to vacate their former channels no later than July 13, 2020. Subject to fund limitations, the FCC reimburses television broadcasters, MVPDs and other parties for costs reasonably incurred due to the repack. The reimbursements received by the Company from the FCC were recognized as operating income in 2018.

(4) Income from operations is generally higher during even-numbered years, when advertising revenue is increased due to the occurrence of state and federal elections and the Olympic Games. However, due to the accretive acquisitions in 2014 through 2018, the income from operations increased over time.

(5) In October 2018, the Company refinanced its then existing term loans and revolving loans. The Company also made prepayments of its outstanding term loans during 2018. These transactions resulted in total loss on extinguishment of debt of $12.1 million. In January 2017, the Company refinanced its then existing term loans and revolving loans. In February 2017, the Company called the entire principal balance of its $525.0 million 6.875% Notes, resulting in a loss on extinguishment of debt of $22.2 million. The Company also made prepayments of its outstanding term loans during 2017. These transactions resulted in total loss on extinguishment of debt of $34.9 million.

(6) The Company previously reported its pension and other postretirement benefit credit, consisting of expected return on plan assets and interest cost, as a credit to corporate expenses. As discussed in Note 2 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, the Company adopted ASU 2017-07 which requires presentation of net periodic benefit cost, other than service costs, as a separate line item below income from operations. The adoption of ASU 2017-17 reduced the operating income in 2017 by $13.2 million but did not impact net income.

(7) On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into law which reduced the federal corporate income tax rate from 35% to 21%. The reduction in the federal corporate income tax rate resulted in a reduction of the Company's net deferred tax liability of $322.2 million and a corresponding deferred income tax benefit in 2017.

	2018	2017	2016	2015	2014
Balance Sheet data, as of December 31					
Cash and cash equivalents	$ 145,115	$ 115,652	$ 87,680	$ 43,416	$ 131,912
Working capital	362,903	385,515	173,639	113,967	178,661
Net intangible assets and goodwill	5,438,145	5,492,110	1,340,565	1,255,358	772,660
Total assets(1)(2)	7,062,030	7,481,647	2,966,085	1,835,134	1,414,102
Total debt(1)(2)	3,981,003	4,362,460	2,342,419	1,476,214	1,220,369
Total stockholders' equity	1,868,984	1,581,310	284,354	86,373	56,537
Statements of Cash Flows data, for the years ended December 31					
Net cash provided by (used in):					
Operating activities(3)	$ 736,867	$ 109,091	$ 284,253	$ 205,308	$ 176,561
Investing activities(3)	(175,514)	(2,066,285)	(135,122)	(474,341)	(230,033)
Financing activities(3)	(531,890)	1,057,367	822,932	180,537	145,356
Capital expenditures, net of proceeds from asset disposals(4)	101,902	52,435	31,152	25,397	20,300
Cash payments for broadcast rights	61,979	62,531	23,004	22,473	12,025

(1) The Company's total assets and total debt increased in January 2017 following the consummation of our merger with Media General. Refer to Notes 3 and 7 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

(2) On July 27, 2016, we completed the issuance and sale of $900.0 million of 5.625% Notes. The gross proceeds of the notes, plus pre-funded interests, were deposited into a segregated escrow account until their utilization in January 2017 to partially finance our merger with Media General. Refer to Note 7 to our Consolidated Financial Statements in Part IV, Item 5(a) of this Annual Report on Form 10-K for additional information on the 5.625% Notes.

(3) As discussed in Note 2 – Recent Accounting Pronouncements to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, the Company adopted the FASB ASU No. 2016-15, which provides guidance related to classification on the statement of cash flows of certain cash receipts and cash payments, and the FASB ASU 2016-18, which provides guidance related to classification on the statement of cash flows of restricted cash. These adoptions changed the cash flow reporting of certain transactions of the Company between 2017 and 2016. Accordingly, our current presentation of the 2017 net cash provided by operating activities, and net cash provided by financing activities decreased by $27.6 million and $896.0 million, respectively, compared to amounts previously presented. Our 2017 net cash in investing activities increased by $4.2 million. Also, our current presentation of the 2016 net cash provided by operating activities and net cash provided by financing activities increased by $22.7 million and $900.00 million, respectively, and our 2016 net cash used in investing activities decreased by $5.1 million.

(4) In 2018, our capital expenditures included $26.8 million, which we reimbursed from the FCC in connection with the station repack. It also included capital expenditures of $2.9 million, which was funded by the proceeds from the incentive auction received in 2017.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with Item 6 "Selected Financial Data" and our Consolidated Financial Statements and related Notes included in Part IV, Item 15(a) of this Annual Report on Form 10-K

As a result of our deemed controlling financial interests in the consolidated VIEs in accordance with U.S. GAAP, we consolidate the financial position, results of operations and cash flows of these VIEs as if they were wholly-owned entities. We believe this presentation is meaningful for understanding our financial performance. Refer to Note 2 to our Consolidated Financial Statements for a discussion of our determinations of VIE consolidation under the related authoritative guidance. The following discussion of our financial position and results of operations includes the consolidated VIEs' financial position and results of operations

Executive Summary

2018 Highlights

- Net revenue during 2018 increased by $334.7 million, or 13.8% compared to the same period in 2017. The increase in net revenue was primarily due to an increase in political advertising and retransmission compensation of $221.2 million and $82.9 million, respectively, from our legacy stations and incremental revenue from our newly acquired stations and entities of $121.4 million. These increases were partially offset by a decrease in our legacy stations' revenue from local and national advertising of $41.5 million, primarily due to changes in the mix between our local, national and political advertising during an election year. Our adoption of the new revenue accounting guidance also decreased our barter revenue (and the related barter expense) by $42.5 million, but did not impact our income from operations, our net income or our cash flows
- During 2018, our Board of Directors declared quarterly dividends of $0.375 per share of our outstanding common stock, or total dividend payments of $68.6 million.
- During 2018, we repurchased a total of 751,920 shares of our Class A common stock for $50.5 million, funded by cash on hand. On April 26, 2018, our Board of Directors approved an increase in our share repurchase authorization to repurchase up to an additional $200.0 million of our Class A common stock. As of December 31, 2018, the remaining available amount under the share repurchase authorization was $201.9 million, inclusive of the 2018 additional authorization and the remaining balance under our prior authorization

2018 Acquisitions

	Acquisition Date	Purchase Price	Assets Acquired
LKQD	January 16, 2018	$97.0 million in cash	Acquired the outstanding equity of LKQD
WHDF	First closing on July 15, 2018	$2.3 million paid in cash at first closing	Acquired the assets of WHDF, a full power television station in the Huntsville, Alabama market and an affiliate of CW
	Second closing on November 9, 2018	$0.7 million paid in cash at second closing	
KRBK	First closing on August 1, 2018	$15.1 million paid in cash at first closing	Acquired the assets of KRBK, a full power television station in the Springfield, Missouri market and an affiliate of FOX
	Second closing on November 1, 2018	$2.5 million paid in cash at second closing	
KHII	Provided certain services through TBA effective on November 1, 2018	$0.1 million paid in cash as advance payment	We consolidated certain assets of KHII in December 2018 due to our controlling financial interest. KHII is a full power television station affiliated with MNTV in the Honolulu, Hawaii market and its satellite stations KGMV serving Wailuku, Hawaii and KGMD serving Hilo, Hawaii markets
	Completed the station acquisition on January 28, 2019	$6.4 million paid in cash at final closing	

The purchase price for the LKQD acquisition was funded by a combination of a borrowing under our revolving credit facility and cash on hand. The acquisition of LKQD broadened and diversified our digital portfolio with technologies that are complementary to our current offerings of digital solutions and services for media publishers, and multi-platform marketing solutions for local and national advertisers.

The purchase prices to acquire WHDF and KRBK were funded by cash on hand. These acquisitions created two new duopolies for Nexstar. We previously provided programming and sales services to these stations under TBAs from July 15, 2018 through November 9, 2018 for WHDF and from August 1, 2018 through November 1, 2018 for KRBK

Effective November 1, 2018, we began managing some elements of KHII's operation under a TBA until the completion of the acquisition. On December 17, 2018, we obtained FCC approval for the acquisition and became the primary beneficiary of our variable interests in KHII. Therefore, as of this date, the stations' assets that we agreed to acquire pursuant to a purchase agreement, and transactions thereafter, were consolidated into our financial statements. On January 28, 2019, we completed the acquisition and paid the remaining purchase price of $6.4 million, funded by cash on hand. The TBA with KHII was terminated as of this date

Merger Agreement with Tribune

On November 30, 2018, we entered into a definitive merger agreement with Tribune to acquire Tribune's outstanding equity for $46.50 per share in a cash transaction. All equity-based awards of Tribune that are outstanding prior to the merger will vest in full and will be converted into the right to receive the same cash consideration. The estimated total purchase price is valued at $6.4 billion, consisting of the merger cash consideration and the refinancing of Tribune's outstanding debt. Tribune shareholders will be entitled to additional cash consideration of approximately $0.30 per share per month if the transaction has not closed by August 31, 2019, pro-rated for partial months and less an adjustment for any dividends declared on or after September 1, 2019. Tribune currently owns, operates or provides services to 42 television stations. We and Tribune plan to divest certain of our stations in connection with the proposed merger in order to comply with FCC media ownership rules

The merger agreement contains certain termination rights for both us and Tribune. If the merger agreement is terminated in connection with Tribune entering into a definitive agreement with respect to a superior proposal, as well as under certain other circumstances, the termination fee payable by Tribune to us will be $135 million. If the merger agreement is terminated because the required Tribune stockholder vote is not obtained at a stockholder meeting duly held for such purpose, Tribune will be required to reimburse us for our costs and expenses incurred in connection with the transaction in an amount not to exceed $15 million. Either party may terminate the merger agreement if the merger is not consummated on or before an end date of November 30, 2019, with an automatic extension to February 29, 2020, if necessary to obtain regulatory approval under circumstances specified in the merger agreement

The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to (i) the approval of the merger by the stockholders of Tribune, (ii) FCC approval, (iii) other regulatory approvals (including expiration of the applicable HSR waiting period) and (iv) satisfaction of other customary closing conditions. The merger does not require approval of our stockholders and is not subject to any financing contingency. On November 30, 2018, we received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate the merger and the refinancing of certain of the existing indebtedness of Tribune and related transactions

In connection with obtaining the HSR approval and the FCC approval, Nexstar agreed to divest one or more television stations in certain DMAs. Those DMAs are: (i) Salt Lake City, UT; (ii) Grand Rapids-Kalamazoo-Battle Creek, MI; (iii) Wilkes Barre-Scranton, PA; (iv) Richmond-Petersburg, VA; (v) Des Moines-Ames, IA; (vi) Norfolk-Portsmouth-Newport News, VA; (vii) Fort Smith-Fayetteville-Springdale-Rogers, AR; (viii) Davenport, IA-Rock Island-Moline, IL; (ix) Memphis, TN; (x) Huntsville-Decatur (Florence), AL; (xi) Indianapolis, IN; (xii) Hartford-New Haven, CT and (xiii) Harrisburg, PA. Nexstar is required to designate one or more Tribune stations or Nexstar stations for divestiture in each DMA. Nexstar has also agreed to designate, at its option, certain additional Tribune stations or Nexstar stations for divestiture and to divest such stations in order to comply with the FCC national cap as required by the FCC in order to obtain approval of and consummate the transactions.

2018 Debt Transactions

- On January 16, 2018, we borrowed $44.0 million under our revolving credit facility to fund the acquisition of LKQD. Through June 2018, we repaid the entire $44.0 million principal balance under our revolving credit facility, funded by cash on hand
- In June 2018, Marshall refinanced the outstanding principal balances under its Term Loan A and revolving credit facility of $48.8 million and $3.0 million, respectively, funded by a new Term Loan A of $51.8 million due on December 1, 2019
- On July 27, 2018, we reallocated $5.6 million of our unused revolving loan credit facility to Marshall. On the same day Marshall drew the full $5.6 million revolving loan facility and used the funds to partially repay its outstanding Term Loan A

- On October 26, 2018, the Company completed a refinancing of certain of its senior secured credit facilities, including (i) Nexstar's and Mission's Term Loan B with outstanding principal balances of $1 579 billion and $228 5 million, respectively, (ii) Nexstar's and Shield's Term Loan A with outstanding principal balances of $679 5 million and $23 0 million, respectively, and (iii) Nexstar's and Mission's revolving credit facilities of $163 4 million and $3 0 million, respectively, of which no amounts were drawn The amendments extended the maturity date of Term Loan A and revolving credit facilities from July 19, 2022 to October 26, 2023 and reduced the applicable margin portion of the interest rates by 25 basis points for Term Loan B, Term Loan A and revolving loans. The maturity date of Term Loan B did not change (January 17, 2024) Nexstar also borrowed an additional $150 0 million Term Loan A under its amended senior secured credit facility The proceeds were used to partially repay the outstanding principal balance of Nexstar's Term Loan B of $150 0 million Nexstar continues to guarantee Mission's and Shield's obligations, and Mission continues to guarantee Nexstar's obligations under the amended senior secured credit facilities
- In 2018, we prepaid a total of $360 0 million in principal balance under our Term Loan B, funded by cash on hand
- Through December 2018, the Company repaid scheduled maturities of $46 6 million under its term loans

Overview of Operations

As of December 31, 2018, we owned, operated, programmed or provided sales and other services to 174 full power television stations, including those owned by VIEs, in 100 markets in the states of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia and Wisconsin The stations are affiliates of ABC, NBC, FOX, CBS, The CW, MNTV and other broadcast television networks Through various local service agreements, we provided sales, programming and other services to 39 full power television stations owned by independent third parties of which 38 full power television stations are VIEs that are consolidated into our financial statements See Note 2—Variable Interest Entities to our Consolidated Financial Statements in Part I, Item 1 of this Form 10-K for a discussion of the local service agreements we have with these independent third parties

The operating revenue of our stations is derived substantially from broadcast and website advertising revenue, which is affected by a number of factors, including the economic conditions of the markets in which we operate, the demographic makeup of those markets and the marketing strategy we employ in each market. Most advertising contracts are short-term and generally run for a few weeks For the years ended December 31, 2018 and 2017, revenue generated from local broadcast advertising represented 73 2% and 72 9%, respectively, of our consolidated spot revenue (total of local and national broadcast advertising revenue, excluding political advertising revenue) The remaining broadcast advertising revenue represents inventory sold for national or political advertising All national and political revenue is derived from advertisements placed through advertising agencies While the majority of local spot revenue is placed by local agencies, some advertisers place their schedules directly with the stations' local sales staff, thereby eliminating the agency commission Each station also has an agreement with a national representative firm that provides for sales representation outside the particular station's market Advertising schedules received through the national representative firm are for national or large regional accounts that advertise in several markets simultaneously National representative commission rates vary within the industry and are governed by each station's agreement

Another source of revenue for the Company that has grown significantly in recent years relates to retransmission of our station signals by cable, satellite and other MVPDs MVPDs generally pay for retransmission rights on a rate per subscriber basis The growth of this revenue stream was primarily due to increases in the subscriber rates paid by MVPDs resulting from contract renewals (retransmission compensation agreements generally have a three-year term), scheduled annual escalation of rates per subscriber, and the establishment of distribution agreements with OTTDs Additionally, the rates per subscriber of newly acquired television stations are converted into our terms which are typically higher than those of other companies because we have been negotiating such agreements for a longer period of time and are, therefore approximately one full negotiating cycle ahead of our competitors Currently, broadcasters deliver more than 30% of all television viewing audiences in a pay television household but are paid approximately 12-14% of the total cable programming fees. Nexstar anticipates retransmission fees will continue to increase until there is a more balanced relationship between viewers delivered and fees paid for delivery of such viewers

Most of our stations have a network affiliation agreement pursuant to which the network provides programming to the station during specified time periods, including prime time, in exchange for affiliation fees paid to the networks, in most cases, and the right to sell a substantial majority of the advertising time during these broadcasts Network affiliation fees have been increasing industry wide and we expect they will continue to increase over the next several years.

Each station acquires licenses to broadcast programming in non-news and non-network time periods The licenses are either purchased from a program distributor for cash and/or the program distributor is allowed to sell some of the advertising inventory as compensation to eliminate or reduce the cash cost for the license The latter practice is referred to as barter broadcast rights Barter broadcast rights were previously recorded as assets and amortized as programming expense over the earlier of the license period or period of usage Upon adoption of the new revenue accounting guidance that took effect on January 1, 2018, we no longer recognize assets and expense resulting from these transactions Refer to Note 2 – Recent Accounting Pronouncements to our Consolidated Financial Statements in Part IV, Item 5(a) of this Annual Report on Form 10-K for additional information

Our primary operating expenses include employee salaries, commissions and benefits, newsgathering and programming costs A large percentage of the costs involved in the operation of our stations and the stations we provide services to remains relatively fixed

We guarantee full payment of all obligations incurred under Mission's Marshall's and Shield's senior secured credit facilities in the event of their default Mission is a guarantor of our senior secured credit facility, our 6 125% Notes and our 5 625% Notes but does not guarantee our 5 875% Notes. Marshall and Shield do not guarantee any debt within the group. In consideration of our guarantee of Mission's senior secured credit facility, Mission has granted us purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. These option agreements (which expire on various dates between 2021 and 2028) are freely exercisable or assignable by us without consent or approval by Mission or its shareholders We expect these option agreements to be renewed upon expiration

We do not own the consolidated VIEs or their television stations However, we are deemed under U S. GAAP to have controlling financial interests in these entities because of (1) the local service agreements Nexstar has with their stations, (2) our guarantees of the obligations incurred under Mission's, Marshall's and Shield's senior secured credit facilities (3) our power over significant activities affecting the VIEs' economic performance, including budgeting for advertising revenue, advertising sales and, in some cases, hiring and firing of sales force personnel and (4) purchase options granted by each VIE, exclusive of Marshall, which permit Nexstar to acquire the assets and assume the liabilities of each of the VIEs' stations at any time, subject to FCC consent In compliance with FCC regulations for all the parties, each of the consolidated VIEs maintain complete responsibility for and control over programming, finances and personnel for their stations Refer to Note 2 – Variable Interest Entities to our Consolidated Financial Statements in Part IV, Item 5(a) of this Annual Report on Form 10-K for additional information with respect to consolidated VIEs

Regulatory Developments

As a television broadcaster, the Company is highly regulated, and its operations require that it retain or renew a variety of government approvals and comply with changing federal regulations In 2016, the FCC reinstated a rule providing that a television station licensee which sells more than 15 percent of the weekly advertising inventory of another television station in the same DMA is deemed to have an attributable ownership interest in that station (this rule had been adopted in 2014 but was vacated by a federal court of appeals) Parties to existing JSAs that were deemed attributable interests and did not comply with the FCC's local television ownership rule were given until September 30, 2025 to come into compliance In November 2017, however, the FCC adopted an order on reconsideration that eliminated the rule That elimination became effective on February 7, 2018, although the FCC's November 2017 order on reconsideration remains the subject of pending court appeals If the Company is ultimately required to amend or terminate its existing agreements, the Company could have a reduction in revenue and increased costs if it is unable to successfully implement alternative arrangements that are as beneficial as the existing JSAs

The FCC is in the process of repurposing a portion of the broadcast television spectrum for wireless broadband use In an incentive auction which concluded in April 2017, certain television broadcasters accepted bids from the FCC to voluntarily relinquish all or part of their spectrum in exchange for consideration Television stations that are not relinquishing their spectrum are being "repacked" into the frequency band still remaining for television broadcast use. In July 2017, the Company received $478.6 million in gross proceeds from the FCC for eight stations that now share a channel with another station, two that will move to a VHF channel and one that went off the air in November 2017 The station that went off the air is not expected to have a significant impact on our future financial results because it is located in a remote rural area of the country and the Company has other stations which serve the same area. The two stations moving to VHF channels must vacate their current channels by September 2019 and May 2020, respectively.

61 full power stations owned by Nexstar and 17 full power stations owned by VIEs have been assigned to new channels in the reduced post-auction television band and will be required to construct and license the necessary technical modifications to operate on their new assigned channels on a variable schedule ending in July 2020 Congress has allocated up to an industry-wide total of $2 75 billion to reimburse television broadcasters, MVPDs and other parties for costs reasonably incurred due to the repack. In 2018 and 2017, the Company spent a total of $29 4 million in capital expenditures related to station repack, all of which have been reimbursed by the FCC in 2018 As of December 31, 2018, approximately $192 0 million of estimated remaining costs in connection with the station repack are expected to be incurred by the Company, some or all of which will be reimbursable If the FCC fails to fully reimburse the Company's repacking costs, the Company could have increased costs related to the repacking

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns and certain events such as the Olympic Games or the Super Bowl Advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years when state, congressional and presidential elections occur and from advertising aired during the Olympic Games 2018 was an election year and an Olympic year

Historical Performance

Revenue

The following table sets forth the amounts of the Company's principal types of revenue (in thousands) and each type of revenue (other than trade and barter) and agency commissions as a percentage of total revenue for the years ended December 31

	2018		2017				2016			
	Amount	%	Previously Reported	Reclassifications	Current Presentation	%	Previously Reported	Reclassifications	Current Presentation	%
Local	$ 797,709	28 8	$ 913,571	$ (108,211)	$ 805 360	33 1	$ 388 183	$ (43,827)	$ 344,356	32 7
National	292,211	10 6	356 633	(53 976)	302 657	12 4	144 009	(21 689)	122,320	12 1
Political	251 209	9 1	31,605	(4,740)	26 865	1 1	108 544	(16,282)	92,262	9 1
Retransmission compensation	1,121 081	40 5	995 790	-	995,790	40 9	394 038	-	394,038	33 2
Digital	261,159	9 4	230 792	(4,040)	226 752	9 3	101 759	(3,385)	98,374	8 6
Other	26,485	1 0	17,861	-	17,861	0 9	6,148	-	6,148	0 5
Trade and barter revenue	16 842	0 6	56,681	-	56 681	2 3	45,692	-	45,692	3 8
Total revenue	2,766,696	100 0	2,602,933	(170,967)	2,431,966	100 0	1,188,373	(85,183)	1,103,190	100 0
Less Agency Commissions	-		(170,967)	170,967	-		(85,183)	85,183	-	
Net Revenue	$2,766,696		$2,431,966		$ 2,431 966		$1,103,190		$ 1,103,190	

On January 1, 2018, we adopted Accounting Standards Update No 2014-09, Revenue from Contracts with Customers, the new revenue accounting guidance issued by the Financial Accounting Standards Board The adoption resulted in certain changes in our revenue recognition policies and the presentation of certain revenue sources Beginning in the first quarter of 2018, we no longer recognize barter revenue (and related barter expense) resulting from the exchange of advertising time for certain program material During the years ended December 31, 2017 and 2016, the Company recognized barter revenue (and related barter expense) of $42 5 million and $34 7 million, respectively, included in the trade and barter revenue line in the table above Additionally, we now present local, national political and digital revenues, exclusive of the related agency commission. As shown in the reclassifications column in the table above, the change in the presentation of local, national, political and digital revenues in years 2017 and 2016 are for comparative purposes and did not impact our past or future net revenue, income from operations or net income

Results of Operations

The following table sets forth a summary of the Company's operations for the years ended December 31 (in thousands), and each component of operating expense as a percentage of net revenue

	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
Net revenue	$ 2,766,696	100 0	$ 2,431,966	100 0	$ 1,103,190	100 0
Operating expenses						
Corporate expenses	110,921	4 0	138,394	5 7	51 177	4 6
Direct operating expenses net of trade	1,101,423	39 8	978,930	40 3	371 242	33 7
Selling, general and administrative expenses, excluding corporate	469,012	17 0	466,712	19 2	212,429	19 3
Trade and barter expense	16,494	0 6	56,970	2 3	45,439	4 1
Depreciation	109,789	4 0	100,658	4 1	51,300	4 7
Amortization of intangible assets	149,406	5 4	159,500	6 6	46,572	4 2
Amortization of broadcast rights excluding barter	61,342	2 2	62,908	2 6	22 461	2 0
Goodwill and intangible assets impairment	19,911	0 7	19,985	0 8	15,262	1 4
Gain on disposal of stations, net	-	-	(57,716)	(2 4)	-	-
Reimbursement from the FCC related to station repack	(29,381)	(1 1)	-	-	-	-
Total operating expenses	2,008,917		1,926,341		815 882	
Income from operations	$ 757,779		$ 505,625		$ 287,308	

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

The period-to-period comparability of our consolidated operating results is affected by acquisitions For each quarter we present, our legacy stations include those stations that we owned or provided services to for the complete quarter in the current and prior years For our annual and year to date presentations, we combine the legacy stations' amounts presented in each quarter

Revenue

Local advertising revenue was $797 7 million for the year ended December 31, 2018, compared to $805 4 million for the same period in 2017, a decrease of $7.7 million, or 1 0% National advertising revenue was $292.2 million for the year ended December 31, 2018 compared to $302 7 million for the same period in 2017, a decrease of $10 4 million, or 3 5% Our legacy stations' local and national advertising revenue decreased by $41.5 million, which reflected the changes in the mix between our local, national and political advertising revenue during an election year Our station divestitures in 2017 also resulted in a decrease in revenue of $0 7 million These decreases were partially offset by $21 7 million incremental revenue during the first quarter of 2018, resulting from our merger with Media General in January 2017 and $2 5 million incremental revenue from station acquisitions in the third and fourth quarters of 2018 Our largest advertiser category, automobile, represented approximately 24% and 25% of our local and national advertising revenue for each of the years ended December 31, 2018 and 2017, respectively. Overall, including past results of our newly acquired stations, automobile revenues decreased by approximately 10% during the year The other categories representing our top five were attorneys and medical/healthcare, which increased in 2018 and furniture and fast food/restaurants, which decreased in 2018

Political advertising revenue was $251 2 million for the year ended December 31, 2018, compared to $26 9 million for the same period in 2017, an increase of $224 3 million, as 2018 was an election year

Retransmission compensation was $1.121 billion for the year ended December 31, 2018, compared to $995.8 million for the same period in 2017, an increase of $125.3 million, or 12.6%. Our legacy stations' revenue increased by $82.9 million primarily due to scheduled annual escalation of rates per subscriber, renewals of smaller contracts providing for higher rates per subscriber (contracts generally have a three-year term) and initial contributions from distribution agreements with OTTDs. Additionally, our merger with Media General in January 2017 resulted in incremental revenue of $38.5 million and our station acquisitions in the third and fourth quarters of 2018 resulted in incremental revenue of $4.7 million, partially offset by $0.8 million decrease resulting from station divestitures in 2017. Broadcasters currently deliver more than 30% of all television viewing audiences in a pay television household but are paid approximately 12-14% of the total cable programming fees. We anticipate continued increase of retransmission fees until there is a more balanced relationship between viewers delivered and fees paid for delivery of such viewers.

Digital media revenue, representing advertising revenue on our stations' web and mobile sites and revenue from our other digital operations, was $261.2 million for the year ended December 31, 2018, compared to $226.8 million for the same period in 2017, an increase of $34.4 million or 15.2%. This was primarily attributable to $51.8 million incremental revenue from our newly acquired stations and entities, an increase in revenue from our social media platform of $6.5 million and an increase in revenue of our legacy stations of $2.3 million. These increases were partially offset by a decrease in revenue as a result of rebranding and consolidation of our digital products and offerings of $26.1 million.

Operating Expenses (Income)

Corporate expenses, related to costs associated with the centralized management of our stations, were $110.9 million for the year ended December 31, 2018, compared to $138.4 million for the same period in 2017, a decrease of $27.5 million, or 19.9%. This was primarily attributable to a decrease in payroll, severance, bonuses and payroll related expenses of $26.9 million and a decrease in legal and professional fees of $8.2 million, both of which were primarily associated with our 2017 acquisitions. These decreases were partially offset by a $7.2 million increase in stock-based compensation related to equity incentives awarded during 2018 and 2017.

Station direct operating expenses, consisting primarily of news, engineering, programming and selling, general and administrative expenses (net of trade expense) were $1.570 billion for the year ended December 31, 2018, compared to $1.446 billion for the same period in 2017, an increase of $124.8 million, or 8.6%. The increase was primarily due to expenses of our newly acquired stations and entities of $88.5 million (including network and programming costs of $24.4 million), partially offset by a decrease of $1.2 million related to our station divestitures in 2017. Additionally, our legacy stations' programming costs increased by $61.3 million primarily due to network affiliation renewals and annual increases in our network affiliation costs. Network affiliation costs have been increasing industry-wide and will continue to increase over the next several years. These increases were partially offset by a $25.2 million decrease in the direct operating expenses of our digital media entities as a result of rebranding and consolidation of our digital products and offerings.

Depreciation of property and equipment was $109.8 million for the year ended December 31, 2018, compared to $100.7 million for the same period in 2017, an increase of $9.1 million, or 9.1%. This was primarily due to increased depreciation of various assets that were disposed and being replaced in connection with the station repack of $6.4 million, and incremental depreciation from newly capitalized assets.

Amortization of intangible assets was $149.4 million for the year ended December 31, 2018, compared to $159.5 million for the same period in 2017, a decrease of $10.1 million, or 6.3%. This was primarily attributable to decreases in amortization from certain fully amortized assets, partially offset by incremental amortization from our acquisitions in 2018.

Amortization of broadcast rights, excluding barter were flat at $61.3 million for the year ended December 31, 2018, compared to $62.9 million for the same period in 2017.

In 2017, certain of our stations were assigned to new channels ("repack") in connection with the FCC's process of repurposing a portion of the broadcast television spectrum for wireless broadband use. Our stations are currently spending costs, mainly capital expenditures, to construct and license the necessary technical modifications to operate on their newly assigned channels and to vacate their former channels no later than July 13, 2020. Subject to fund limitations, the FCC reimburses television broadcasters, MVPDs and other parties for costs reasonably incurred due to the repack. In 2018, we received a total of $29.4 million in reimbursements from the FCC which we recognized as operating income.

In the fourth quarter of 2018 and 2017, we recorded goodwill and intangible asset impairment charges of $19.9 million and $20.0 million, respectively, on some of our digital businesses. These were attributable to industry-wide margin compression, greater levels of competition and shortfalls from operating forecasts.

In connection with our merger with Media General in 2017, we sold the assets of 12 full power television stations in 12 markets, five of which were previously owned by us and seven of which were previously owned by Media General. We sold the Media General stations for a total consideration of $427.6 million and we sold our stations for $114.4 million. These divestitures resulted in a net gain on disposal of $57.7 million in 2017.

Interest Expense, net

Interest expense, net was $221.0 million for the year ended December 31, 2018 compared to $241.2 million for the same period in 2017, a decrease of $20.2 million, or 8.4%, primarily attributable to one time fees associated with the financing of our acquisitions in 2017 and the redemption of our $525.0 million 6.875% Notes in February 2017, partially offset by the effects of an increasing trend in the London Interbank Offered Rate ("LIBOR").

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $12.1 million for the year ended December 31, 2018, compared to $34.9 million for the same period in 2017, a decrease of $22.8 million, or 65.3%. In 2018, we refinanced certain of our term loans and revolving loans, resulting in a loss on extinguishment of debt of $3.7 million. We also made prepayments of our outstanding term loans during 2018, resulting in a loss on extinguishment of debt of $8.4 million. In 2017, we redeemed the entire $525.0 million principal balance under our 6.875% Notes at a redemption price equal to 103.438%. We also refinanced $670.8 million of the Company's term loans and revolving loans and prepaid $260.0 million principal balance under our term loans. These transactions resulted in total loss on extinguishments of debt of $34.9 million, representing premiums paid to retire the 6.875% Notes and the write-off of unamortized debt financing costs and debt discounts/premiums associated with these debt instruments.

Income Taxes

Income tax expense was $144.7 million for the year ended December 31, 2018, compared to an income tax benefit of $233.9 million for the same period in 2017, an increase in income tax expense of $378.6 million. The effective tax rates during the years ended December 31, 2018 and 2017 were 27.1% and -96.9%, respectively. This significant change relates to the prior year remeasurement under the Tax Cuts and Jobs Act of 2017.

In 2017, the Tax Cuts and Jobs Act of 2017 was signed into law which reduced the federal corporate income tax rate from 35% to 21%. The reduction in the federal corporate income tax rate resulted in a $322.2 million reduction of the Company's net deferred tax liability, or a 133.1% increase in the effective tax rate between the two periods. Other changes to the effective tax rates relate to various permanent differences such as the tax impact of limitation on compensation deduction, the tax impact related to goodwill impairment and the tax impact of excess tax benefits related stock-based compensation recognized in the income statement pursuant to ASU No. 2016-09 (adopted as of January 1, 2017). These transactions and events resulted in a total income tax expense effect of $5.68 million, or an increase to the effective tax rate of 1.1%.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

The period-to-period comparability of our consolidated operating results is affected by acquisitions. For each quarter we present, our legacy stations include those stations that we owned or provided services to for the complete quarter in the current and prior years. For our annual and year to date presentations, we combine the legacy stations' amounts presented in each quarter.

Revenue

Local advertising revenue was $805.4 million for the year ended December 31, 2017, compared to $344.4 million for the same period in 2016, an increase of $461.0 million, or 133.9%. National advertising revenue was $302.7 million for the year ended December 31, 2017 compared to $122.3 million for the same period in 2016, an increase of $180.4 million, or 147.5%. The increase in local and national advertising revenue was primarily attributable to incremental revenue from the stations we acquired through our merger with Media General in January 2017 along with other acquisitions of $671.5 million, less decreases in revenue resulting from station divestitures of $17.2 million. Our legacy stations' local and national advertising revenue decreased by $13.7 million during the year ended December 31, 2017 compared to the same period in 2016, which includes the impact of revenue from the 2016 Olympics on our NBC affiliate legacy stations. Our largest advertiser category, automobile, represented approximately 25% and 26% of our local and national advertising revenue for the years ended December 31, 2017 and 2016, respectively. Overall, including past results of our newly acquired stations, automobile revenues decreased by approximately 4% during the year. The other categories representing our top five were fast food/restaurants, furniture and medical/healthcare, which declined this year, and attorneys, which increased in 2017.

Political advertising revenue was $26 9 million for the year ended December 31, 2017, compared to $92 3 million for the same period in 2016, a decrease of $65.4 million, as 2017 was not an election year

Retransmission compensation was $995 8 million for the year ended December 31, 2017, compared to $394 0 million for the same period in 2016, an increase of $601 8 million, or 152 7% The increase in retransmission compensation was attributable to incremental revenue from the stations we acquired through our merger with Media General in January 2017 along with other acquisitions of $550 9 million, less decrease in revenue resulting from station divestitures of $14.1 million Our legacy stations' revenue also increased by $64 9 million, primarily due to the renewals of contracts providing for higher rates per subscriber (contracts generally have a three-year term) and scheduled annual escalation of rates per subscriber In 2016, we successfully renewed our legacy stations' retransmission compensation agreements representing approximately 50% of our legacy stations' subscriber base There were no significant renewals of retransmission compensation agreements in 2017 Broadcasters currently deliver more than 30% of all television viewing audiences in a pay television household but are paid approximately 12-14% of the total cable programming fees We anticipate continued increase of retransmission fees until there is a more balanced relationship between viewers delivered and fees paid for delivery of such viewers

Digital media revenue, representing advertising revenue on our stations' web and mobile sites and revenue from our other digital operations, was $226.8 million for the year ended December 31, 2017, compared to $98.4 million for the same period in 2016, an increase of $128 4 million or 130.5% This was primarily attributable to the incremental revenue from the stations and digital businesses we acquired through our merger with Media General in January 2017 along with other acquisitions of $148 2 million and an increase in the revenue of our legacy stations of $4 4 million These were partially offset by a decrease in revenue as a result of rebranding and consolidation of our digital products and offerings of $22 9 million and a decrease in revenue resulting from station divestitures of $1 3 million

Operating Expenses (Income)

Corporate expenses, related to costs associated with the centralized management of our stations, were $138 4 million for the year ended December 31, 2017, compared to $51 2 million for the same period in 2016 an increase of $87 2 million, or 170 3% This was primarily attributable to an increase in payroll, severance, bonuses and payroll related expenses of $50 5 million and an increase in legal and professional fees of $13 9 million, both of which were primarily associated with our acquisitions and increased number of stations and entities Additionally, new equity incentive awards during the current year increased our stock-based compensation by $12 7 million

Station direct operating expenses, consisting primarily of news, engineering, programming and selling, general and administrative expenses (net of trade expense) were $1 446 billion for the year ended December 31, 2017, compared to $583.7 million for the same period in 2016, an increase of $862 0 million, or 147 7% The increase was primarily due to expenses of the stations and digital businesses we acquired through our merger with Media General in January 2017 along with other acquisitions of $862 2 million, and an increase in programming costs for our legacy stations of $38 4 million primarily related to recently enacted network affiliation agreements Network affiliation costs have been increasing industry-wide and will continue to increase over the next several years These increases were partially offset by a $21 2 million decrease in the direct operating expenses of our digital media entities as a result of rebranding and consolidation of our digital products and offerings and a $16 0 million decrease in our direct operating expenses attributable to stations divested

Depreciation of property and equipment was $100 7 million for the year ended December 31, 2017, compared to $51 3 million for the same period in 2016, an increase of $49 4 million, or 96 2% The increase was primarily due to the acquisition of assets through our merger with Media General.

Amortization of intangible assets was $159 5 million for the year ended December 31, 2017, compared to $46 6 million for the same period in 2016, an increase of $112 9 million, or 242 5% The increase was primarily due to the acquisition of intangible assets through our merger with Media General

Amortization of broadcast rights, excluding barter was $62 9 million for the year ended December 31, 2017, compared to $22 5 million for the same period in 2016, an increase of $40 4 million, or 180.1%, primarily attributable to our acquisition of broadcast rights through our merger with Media General

In the fourth quarter of 2017, we recorded goodwill and intangible asset impairment charges of $20 0 attributable to our digital businesses as a result of reorganization, greater levels of competition and shortfalls from operating forecasts

In connection with our merger with Media General, we sold the assets of 12 full power television stations in 12 markets, five of which were previously owned by us and seven of which were previously owned by Media General We sold the Media General stations for a total consideration of $427.6 million and we sold our stations for $114 4 million These divestitures resulted in a net gain on disposal of $57.7 million

Interest Expense, net

Interest expense, net was $241 2 million for the year ended December 31, 2017, compared to $116.1 million for the same period in 2016, an increase of $125 1 million, or 107 8%, primarily attributable to interest on new borrowings and one-time fees associated with the financing of our acquisitions, less decreases in interest resulting from redemptions.

Income Taxes

Income tax benefit was $233 9 million for the year ended December 31, 2017, compared to an income tax expense of $77 6 million for the same period in 2016 The effective tax rates were -96 9% and 45.5% for each of the respective periods

In 2017, the Tax Cuts and Jobs Act of 2017 was signed into law which reduces the federal corporate income tax rate from 35% to 21% The reduction in the federal corporate income tax rate resulted in a reduction of the Company's net deferred tax liability and a corresponding recognition of income tax benefit of $322 2 million, or a decrease to the effective tax rate of 133 1% Other changes to the effective tax rates relate to various permanent differences such as the tax impact of our previously owned stations divested in 2017, the tax impact of limitation on compensation deduction, the tax impact related to domestic production activities deduction and the tax impact of excess tax benefits related stock-based compensation which are now recognized in the income statement pursuant to ASU No 2016-09 (adopted as of January 1, 2017) These transactions and events resulted in a total income tax benefit effect of $19 6 million, or a decrease to the effective tax rate of 9 5%

Liquidity and Capital Resources

The Company is leveraged, which makes it vulnerable to changes in general economic conditions The Company's ability to meet the future cash requirements described below depends on its ability to generate cash in the future, which is subject to general economic, financial, competitive, legislative, regulatory and other conditions, many of which are beyond the Company's control Based on current operations and anticipated future growth, the Company believes that its available cash, anticipated cash flow from operations and available borrowings under the senior secured credit facilities will be sufficient to fund working capital, capital expenditure requirements, interest payments and scheduled debt principal payments for at least the next twelve months as of the filing date of this Annual Report on Form 10-K In order to meet future cash needs the Company may, from time to time, borrow under its existing senior secured credit facilities or issue other long- or short-term debt or equity, if the market and the terms of its existing debt arrangements permit We will continue to evaluate the best use of our operating cash flow among our capital expenditures, acquisitions and debt reduction.

Overview

The following tables present summarized financial information management believes is helpful in evaluating the Company's liquidity and capital resources (in thousands)

	Years Ended December 31,		
	2018	2017	2016
Net cash provided by operating activities(1)	$ 736,867	$ 109,091	$ 284,253
Net cash used in investing activities(1)(2)	(175,514)	(2,066,285)	(135,122)
Net cash (used in) provided by financing activities(1)	(531,890)	1,057,367	822,932
Net increase (decrease) in cash, cash equivalents and restricted cash(1)	$ 29,463	$ (899,827)	$ 972,063
Cash paid for interest(1)	$ 218,746	$ 239 558	$ 78,261
Income taxes paid, net of refunds(3)	$ 90,717	$ 272,689	$ 29,391

(1) As discussed in Note 2 – Recent Accounting Pronouncements to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K the Company, effective on January 1 2018, adopted the FASB issued ASU No 2016-15 which provides guidance related to classification on the statement of cash flows of certain cash receipts and cash payments, and the FASB ASU 2016-18, which provides guidance related to classification on the statement of cash flows of restricted cash These adoptions changed the cash flow reporting of certain transactions of the Company between 2017 and 2016 Accordingly, our current presentation of the 2017 net cash provided by operating activities, net cash used in investing activities and net cash provided by financing activities decreased by $27 6 million, $4 2 million and $900 0 million, respectively, compared to amounts previously presented Also, our current presentation of the 2016 net cash provided by operating activities and net cash provided by financing activities increased by $22 7 million and $900 00 million respectively, and our 2016 net cash used in investing activities decreased by $5 1 million

(2) In 2018 the investing activities included total capital expenditures of $106 2 million, of which $26 8 million was reimbursed from the FCC in connection with the station repack and $2 9 million was funded by the incentive auction proceeds received from the FCC in 2017

(3) The cash paid for income taxes, net of refunds, during the year ended December 31, 2018 includes payments totaling $1 1 million in tax liabilities assumed in the acquisition of LKQD and was funded by the seller through working capital The cash paid for income taxes, net of refunds, during the year ended December 31, 2017 includes payments totaling $237 9 million, primarily related to the proceeds received to relinquish certain spectrum and tax liabilities resulting from various sale of stations No payments for tax liabilities resulting from non-recurring events were made during 2016

	As of December 31,	
	2018	2017
Cash and cash equivalents	$ 145,115	$ 115,652
Long-term debt including current portion	3,981,003	4,362,460
Unused revolving loan commitments under senior secured credit facilities(1)	166,372	172,000

(1) Based on the covenant calculations as of December 31, 2018, all of the $166 4 million total unused revolving loan commitments under the Company's senior secured credit facilities were available for borrowing

Cash Flows – Operating Activities

Net cash flows provided by operating activities increased by $627.8 million during the year ended December 31, 2018 compared to the same period in 2017 This was primarily attributable to an increase in net revenue (excluding trade and barter) of $374 6 million less an increase in station and corporate operating expenses (excluding non-cash transactions) of $89 2 million, a decrease in payments for tax liabilities of $182 0 million, primarily due to nonrecurring tax payments in 2017 resulting from the sale of stations and tax payments related to the proceeds from spectrum auction, a decrease in cash paid for interest of $20 8 million, a decrease in the use of cash resulting from timing of payments to vendors of $32 8 million, source of cash resulting from timing of accounts receivable collections of $87 5 million, and a decrease in payments for contingent consideration related to a past acquisition of $4 0 million

Cash paid for interest decreased by $20 8 million during the year ended December 31, 2018 compared to the same period in 2017, primarily due to one-time fees incurred in 2017 associated with the financing of our acquisitions

Net cash flows provided by operating activities decreased by $175 2 million during the year ended December 31, 2017 compared to the same period in 2016 This was primarily attributable to an increase in payments for tax liabilities of $243 3 million, primarily related to proceeds from the spectrum auction and station divestitures, an increase in cash paid for interest of $161 3 million, use of cash resulting from timing of payments to vendors of $64 1 million, use of cash resulting from timing of accounts receivable collections of $29.4 million and an increase in payments for broadcast rights of $39 5 million These transactions were partially offset by an increase in net revenue (excluding trade and barter) of $1 318 billion less an increase in station and corporate operating expenses (excluding non-cash transactions) of $940 6 million.

Cash paid for interest increased by $161 3 million during the year ended December 31, 2017 compared to the same period in 2016, primarily due to interest on borrowings during 2017 (net of redemptions) and one-time fees associated with the financing of our 2017 acquisitions.

Cash Flows – Investing Activities

Net cash flows used in investing activities for the year ended December 31, 2018 was $175 5 million, compared to $2 066 billion and $135 1 million for the same period in 2017 and 2016, respectively

In 2018, we completed our acquisition of LKQD for a cash purchase price of $97 0 million, less $11 2 million of cash acquired, and the acquisitions of two new stations for $18.0 million We also spent $106 2 million in capital expenditures. These transactions were partially offset by reimbursements from the FCC related to station repack of $29 4 million and proceeds from disposal of assets of $4 3 million

In 2017, we completed our merger with Media General and paid $1 376 billion in cash consideration to stockholders of Media General, less $63.9 million of cash acquired through the merger. In connection with the merger, we also repaid $1 658 billion of Media General's certain then existing indebtedness as part of the acquisition purchase price In 2017, we also completed our acquisition of certain assets of a station for $4 1 million in cash We also spent $72 5 million in capital expenditures These transactions were partially offset by $481 9 million net proceeds from station divestitures and $478 6 million gross proceeds to relinquish the spectrum of certain Company stations that accepted bids in the 2017 incentive auction We also received $20 0 million in proceeds from disposal of assets, primarily the sale of a real estate property

In 2016, we acquired certain assets of four full power stations in four markets in West Virginia and paid $58 5 million Additionally, we completed the acquisition of five full power stations for total payments of $45.5 million In 2016, we spent $31 9 million in capital expenditures.

During the year ended December 31, 2018, capital expenditures increased by $33 8 million compared to the same period in 2017, primarily due to increased spending of $26 8 million related to station repack and $2 9 million related to the relinquishment of certain spectrum The capital expenditures related to station repack were reimbursed from the FCC and the capital expenditures related to relinquishment of certain spectrum were funded by the incentive auction proceeds received from the FCC in 2017 During the year ended December 31, 2017, capital expenditures increased by $40 6 million compared to the same period in 2016, primarily due to capital expenditures for newly acquired stations

Cash Flows – Financing Activities

Net cash flows used in financing activities for the year ended December 31, 2018 was $531.9 million, compared to net cash provided by financing activities during the same period in 2017 and 2016 of $1.057 billion and $822.9 million, respectively.

In 2018, we borrowed $44.0 million under our revolving credit facility to partially fund our acquisition of LKQD and received $6.0 million in proceeds from stock option exercises. Marshall also issued a $51.8 million term loan to refinance the outstanding principal balances under its previous term loan and revolving credit facility of $48.8 million and $3.0 million, respectively. Additionally, Marshall borrowed a $5.6 million revolving loan to partially repay its Term Loan A. In October 2018, the Company amended its credit agreements which decreased the interest rates and extended the maturity date on certain of its debt. In connection with this refinancing, Nexstar borrowed an additional $150.0 million under its Term Loan A, the proceeds of which were used to partially repay the outstanding principal balance under Nexstar's Term Loan B. These transactions were partially offset by repayments of outstanding obligations under our revolving credit facility of $44.0 million, repayments of outstanding principal balance under the Company's term loans of $401.6 million, purchases of treasury stock of $50.5 million, payments of dividends to our common stockholders of $68.6 million ($0.375 per share each quarter), payments for capital lease and capitalized software obligations of $8.8 million, cash payment for taxes in exchange for shares of common stock withheld of $4.9 million, payments to acquire the remaining assets of a station previously owned by KRBK, LLC of $2.5 million and payments for debt financing costs associated with the Company's debt refinancing of $1.1 million.

In 2017, the Company borrowed term loans, net of debt discount, of $3.531 billion and drew $3.0 million under a revolving loan. We also received $8.2 million in proceeds from stock option exercises. These cash flow increases were partially offset by repayments of certain then existing term and revolving loans of Nexstar, Mission and Marshall with an aggregate principal of $670.8 million, our redemption of the entire $525.0 million principal amount of our 6.875% Notes at a redemption price equal to 103.438%, repayments of outstanding principal balance under our term loans of $454.4 million associated with the amendments to senior secured credit facilities in July 2017, prepayments of $260.0 million outstanding principal balances under our term loans, scheduled repayments of outstanding principal balance under our, Mission's, Marshall's and Shield's term loans of $12.2 million, payments for debt financing costs associated with new term loans and new revolving credit facilities of $52.0 million, payments to acquire the remaining assets of stations previously owned by West Virginia Media Holdings of $66.9 million, repurchases of our Class A Common Stock of $99.0 million, payments of dividends to our common stockholders of $55.9 million ($0.30 per share each quarter), payments for contingent consideration, mainly related to our merger with Media General, of $259.6 million, payments for capital lease and capitalized software obligations of $7.1 million and cash payment for taxes in exchange for shares of Nexstar common stock withheld of $4.1 million.

In 2016, we issued our $900.0 million 5.625% Notes at par. The proceeds of this loan were directly deposited in a restricted escrow account which was eventually released to us in January 2017 to partially fund our merger with Media General and related transactions. During 2016, we also borrowed a total of $58.0 million under our revolving credit facility to fund our acquisitions. We also received $1.2 million proceeds from stock option exercises. These cash flow increases were partially offset by repayments of outstanding obligations under our revolving credit facility of $58.0 million, scheduled repayments of outstanding principal balance under our, Mission's and Marshall's term loans of $22.1 million, payments for debt financing costs of $20.7 million, payments of dividends to our common stockholders of $29.4 million ($0.24 per share each quarter), payments for contingent consideration related to a past acquisition of $2.0 million, payments for capital lease and capitalized software obligations of $3.3 million and distribution to a noncontrolling interest of $0.6 million.

Future Sources of Financing and Debt Service Requirements

As of December 31, 2018, the Company had total combined debt of $4.0 billion, which represented 68.2% of the Company's combined capitalization. The Company's high level of debt requires that a substantial portion of cash flow be dedicated to pay principal and interest on debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes.

The following table summarizes the approximate aggregate amount of principal indebtedness scheduled to mature for the periods referenced as of December 31, 2018 (in thousands).

	Total	2019	2020-2021	2022-2023	Thereafter
Nexstar senior secured credit facility	$ 2,148,128	$ 41,477	$ 99,546	$ 688,525	$ 1,318,580
Mission senior secured credit facility	228,527	2,285	4,570	4,570	217,102
Marshall senior secured credit facility	51,183	51,183	-	-	-
Shield senior secured credit facility	22,959	1,148	2,755	19,056	-
5.875% senior unsecured notes due 2022	400,000	-	-	400,000	-
6.125% senior unsecured notes due 2022	275,000	-	-	275,000	-
5.625% senior unsecured notes due 2024	900,000	-	-	-	900,000
	$ 4,025,797	$ 96,093	$ 106,871	$ 1,387,151	$ 2,435,682

We make semiannual interest payments on our $275.0 million 6.125% Notes on February 15 and August 15 of each year. We make semiannual interest payments on the 5.625% Notes on February 1 and August 1 of each year. We also make semiannual payments on the 5.875% Notes on May 15 and November 15 of each year. Interest payments on our, Mission's, Marshall's and Shield's senior secured credit facilities are generally paid every one to three months and are payable based on the type of interest rate selected.

The terms of our, Mission's, Marshall's and Shield's senior secured credit facilities, as well as the indentures governing our 6.125% Notes, 5.625% Notes and the 5.875% Notes, limit, but do not prohibit us, Mission, Marshall or Shield, from incurring substantial amounts of additional debt in the future.

The Company does not have any rating downgrade triggers that would accelerate the maturity dates of its debt. However, a downgrade in the Company's credit rating could adversely affect its ability to renew the existing credit facilities, obtain access to new credit facilities or otherwise issue debt in the future and could increase the cost of such debt.

The Company had $166.4 million of total unused revolving loan commitments under the senior secured credit facilities, all of which were available for borrowing, based on the covenant calculations as of December 31, 2018. The Company's ability to access funds under its senior secured credit facilities depends, in part, on our compliance with certain financial covenants. Any additional drawings under the senior secured credit facilities will reduce the Company's future borrowing capacity and the amount of total unused revolving loan commitments.

During 2018, we repurchased a total of 751,920 shares of our Class A common stock for $50.5 million, funded by cash on hand. On April 26, 2018, our Board of Directors approved an increase in our share repurchase authorization to repurchase up to an additional $200.0 million of our Class A common stock. As of December 31, 2018, the remaining available amount under the share repurchase authorization was $201.9 million, inclusive of the 2018 additional authorization and the remaining balance under our prior authorization.

On November 30, 2018, we entered into a definitive merger agreement with Tribune to acquire Tribune's outstanding equity for $46.50 per share in a cash transaction that is valued at $6.4 billion, consisting of the merger cash consideration and the refinancing of Tribune's outstanding debt. The merger is not subject to any financing condition and we received committed financing up to a maximum of $6.4 billion from a group of commercial banks to provide the debt financing to consummate the merger and the refinancing of certain of the existing indebtedness of Tribune and related transactions. The merger has been approved by the boards of directors of both companies and is projected to close late in the third quarter of 2019, subject to FCC approval, other regulatory approvals and satisfaction of other customary closing conditions. We and Tribune plan to divest certain of our stations in connection with the proposed merger in order to comply with FCC media ownership rules.

The merger agreement contains certain termination rights for both us and Tribune If the merger agreement is terminated in connection with Tribune entering into a definitive agreement with respect to a superior proposal, as well as under certain other circumstances, the termination fee payable by Tribune to us will be $135 million If the merger agreement is terminated because the required Tribune stockholder vote is not obtained at a stockholder meeting duly held for such purpose Tribune will be required to reimburse us for our costs and expenses incurred in connection with the transaction in an amount not to exceed $15 million Either party may terminate the merger agreement if the merger is not consummated on or before an end date of November 30, 2019, with an automatic extension to February 29, 2020, if necessary to obtain regulatory approval under circumstances specified in the merger agreement

On January 25, 2019, Nexstar's Board of Directors declared a quarterly dividend of $0 45 per share of its Class A common stock The dividend was paid on February 22, 2019 to stockholders of record on February 8, 2019.

On January 28, 2019 Nexstar completed the acquisition of KHII and paid the remaining purchase price of $6 4 million, funded by cash on hand

Debt Covenants

Our credit agreement contains a covenant which requires us to comply with a maximum consolidated first lien net leverage ratio of 4.25 to 1 00 The financial covenant, which is formally calculated on a quarterly basis, is based on our combined results The Mission, Marshall and Shield amended credit agreements do not contain financial covenant ratio requirements but do provide for default in the event we do not comply with all covenants contained in our credit agreement As of December 31, 2018, we were in compliance with our financial covenant We believe Nexstar, Mission, Marshall and Shield will be able to maintain compliance with all covenants contained in the credit agreements governing the senior secured facilities and the indentures governing our 6 125% Notes, our 5 625% Notes and our 5.875% Notes for a period of at least the next 12 months from December 31, 2018

No Off-Balance Sheet Arrangements

As of December 31, 2018, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes All of our arrangements with our VIEs in which we are the primary beneficiary are on-balance sheet arrangements Our variable interests in other entities are obtained through local service agreements which have valid business purposes and transfer certain station activities from the station owners to us We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships

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Contractual Obligations

The following summarizes the Company's contractual obligations as of December 31, 2018 and the effect such obligations are expected to have on the Company's liquidity and cash flow in future periods (in thousands)

	Total	2019	2020-2021	2022-2023	Thereafter
Recorded contractual obligations:					
Nexstar senior secured credit facility	$ 2,148,128	$ 41,477	$ 99,546	$ 688,525	$ 1,318,580
Mission senior secured credit facility	228,527	2,285	4,570	4,570	217,102
Marshall senior secured credit facility	51,183	51,183	-	-	-
Shield senior secured credit facility	22,959	1,148	2,755	19,056	-
5 875% senior unsecured notes due 2022	400,000	-	-	400,000	-
6 125% senior unsecured notes due 2022	275,000	-	-	275,000	-
5 625% senior unsecured notes due 2024	900,000	-	-	-	900,000
Capital lease obligations	24,227	1,766	3,638	3,621	15,202
Broadcast rights current cash commitments(1)	25,447	8,373	12,051	5,023	-
Other(2)(3)(4)	34,340	8,198	20,513	5 629	-
Unrecorded contractual obligations:					
Network affiliation agreements	1,326,594	542,790	598,880	184,924	-
Cash interest on debt(5)	940,137	199,615	389,499	318,182	32,841
Operating lease obligations	121,072	22,179	36,635	24,681	37,577
Executive employee contracts(6)	57,131	29,545	25,024	2,562	-
Broadcast rights future cash commitments(7)	114,757	46,118	55,821	12,818	-
Other	29,958	11,513	18,445	-	-
	$ 6,699,460	$ 966 190	$ 1,267,377	$ 1,944,591	$ 2,521,302

(1) Future minimum payments for license agreements for which the license period has begun

(2) Excludes our liabilities, as of December 31, 2018, to surrender spectrum pursuant to the FCC's incentive auction of $130 0 million These liabilities represent our obligations to move two of our stations from UHF channels to VHF channels Upon completion, the liabilities and the related spectrum assets will be derecognized with no expected cash flow impact

(3) As of December 31 2018, we had $12 5 million of gross unrecognized tax benefits This liability represents an estimate of tax positions that the Company has taken in its tax returns, which may ultimately not be sustained upon examination by the tax authorities The resolution of these tax positions may not require cash settlement due to the existence of federal and state NOLs As such, our contractual obligations table above excludes this liability

(4) As of December 31, 2018, we had $92 8 million and $21 4 million of funding obligations with respect to our pension benefit plans and other postretirement benefit plans, respectively, which are not included in the table above See Note 8 to our Consolidated Financial Statements for further information regarding our funding obligations for these benefit plans

(5) Estimated interest payments due as if all debt outstanding as of December 31, 2018 remained outstanding until maturity, based on interest rates in effect at December 31 2018

(6) Includes the employment contracts for all corporate executive employees and general managers of our stations and entities We expect our contracts will be renewed or replaced with similar agreements upon their expiration Amounts included in the table above assumed that contracts are not terminated prior to their expiration

(7) Future minimum payments for license agreements for which the license period has not commenced and no liability has been recorded

Critical Accounting Policies and Estimates

Our Consolidated Financial Statements have been prepared in accordance with U S GAAP which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements and reported amounts of revenue and expenses during the period On an ongoing basis, we evaluate our estimates, including those related to business acquisitions, goodwill and intangible assets, property and equipment, broadcast rights, retransmission compensation, trade, pension and postretirement benefits and income taxes We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates

For an overview of our significant accounting policies, we refer you to Note 2 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K We believe the following critical accounting policies are those that are the most important to the presentation of our Consolidated Financial Statements, affect our more significant estimates and assumptions, and require the most subjective or complex judgments by management

Consolidation of Variable Interest Entities

We regularly evaluate our local service agreements and other arrangements where we may have variable interests to determine whether we are the primary beneficiary of a VIE Under U S GAAP, a company must consolidate an entity when it has a "controlling financial interest" resulting from ownership of a majority of the entity's voting rights Accounting rules expanded the definition of controlling financial interest to include factors other than equity ownership and voting rights

In applying accounting and disclosure requirements, we must base our decision to consolidate an entity on quantitative and qualitative factors that indicate whether or not we have the power to direct the activities of the entity that most significantly affect its economic performance and whether or not we have the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE Our evaluation of the "power" and "economics" model must be an ongoing process and may alter as facts and circumstances change

Mission, Marshall, Shield and other consolidated VIEs are included in our Consolidated Financial Statements because we are deemed to have controlling financial interests in these entities as VIEs for financial reporting purposes as a result of (1) local service agreements we have with the stations they own, (2) our guarantee of the obligations incurred under Mission's, Marshall s and Shield's senior secured credit facilities, (3) our power over significant activities affecting these entities' economic performance, including budgeting for advertising revenue, advertising sales and, in some cases, hiring and firing of sales force personnel and (4) purchase options granted by each VIE, exclusive of Marshall, which permit Nexstar to acquire the assets and assume the liabilities of each of the VIEs' stations at any time, subject to FCC consent These purchase options are freely exercisable or assignable by Nexstar without consent or approval by the VIEs These option agreements expire on various dates between 2021 and 2028 We expect to renew these option agreements upon expiration Therefore, these VIEs are consolidated into these financial statements.

Valuation of Goodwill and Intangible Assets

Intangible assets represented $5.4 billion, or 77.0%, of our total assets as of December 31, 2018 Intangible assets consist primarily of goodwill, FCC licenses, network affiliation agreements, developed technology and customer relationships arising from acquisitions The purchase prices of acquired businesses are allocated to the assets and liabilities acquired at estimated fair values at the date of acquisition using various valuation techniques, including discounted projected cash flows, the cost approach and the income approach The fair value estimates are based on, but not limited to, expected future revenue and cash flows, expected future growth rates, and estimated discount rates. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill If the fair value of these assets is less than the carrying value, we are required to record an impairment charge.

We aggregate our television station markets into a single broadcast business reporting unit for purposes of our goodwill impairment tests because of their similar economic characteristics We perform our FCC license impairment tests on a market basis. The Company's digital businesses increased from three reporting units to four reporting units with the acquisition of LKQD in early 2018 The reporting units within the Company's digital business are not economically similar, and therefore, not aggregated

We test our goodwill and FCC licenses in our fourth quarter each year, or whenever events or changes in circumstances indicate that such assets might be impaired We first assess the qualitative factors to determine the likelihood of our goodwill and FCC licenses being impaired Our qualitative analysis includes, but is not limited to, assessing the changes in macroeconomic conditions, regulatory environment, industry and market conditions, and the financial performance versus budget of the reporting units, as well as any other events or circumstances specific to the reporting unit or the FCC licenses If it is more likely than not that the fair value of a reporting unit or an FCC license is greater than their respective carrying amounts, no further testing will be required Otherwise, we will apply the quantitative impairment test method.

The quantitative impairment test for goodwill is performed by comparing the fair value of a reporting unit with its carrying amount If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and no further testing is required If the fair value of the reporting unit is less than the carrying value, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit The quantitative impairment test for FCC licenses consists of a market-by-market comparison of the carrying amounts of FCC licenses with their fair value, using a discounted cash flow analysis. An impairment is recorded when the carrying value of an FCC license exceeds its fair value

We test our finite-lived intangible assets whenever events or circumstances indicate that their carrying amount may not be recoverable, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows Impairment in the carrying amount of a finite-lived intangible asset is recognized when the expected future operating cash flow derived from the operations to which the asset relates is less than its carrying value

We performed our annual impairment tests on goodwill and FCC licenses attributable to our broadcast business using the qualitative analysis approach and concluded that it was more likely than not that their fair values would sufficiently exceed the carrying amounts There were no indicators that our finite-lived intangible assets attributable to broadcast markets will not be recoverable.

We performed the quantitative goodwill impairment tests on two of our digital reporting units as a result of shortfalls from operating forecasts and increased levels of competition The quantitative impairment tests resulted in total impairment charges of $19 9 million For the remaining two digital reporting units, the Company performed its annual impairment tests using the qualitative analysis approach and concluded that it was more likely than not that their fair values would sufficiently exceed the carrying amounts As of December 31, 2018 three of the Company's digital reporting units had no remaining goodwill balance and one digital reporting unit acquired in January 2018 had a goodwill balance of $42 1 million

The quantitative analyses for our digital businesses was performed using a combination of a discounted cash flows analysis and market revenue multiples analysis, including the following key assumptions (i) compound annual growth rate ranging from 4 4% to 5 0% based on management projections and industry trends, (ii) operating profit margins in the initial year ranging from 1 1% to 5.9% driven by planned development activities, increasing to 6 3% to 13 7% reflecting a mature operating model, (iii) discount rate of 15 0% based on an analysis of digital media companies, (iv) income tax rate of 21 0% to 28 7% based on statutory federal and blended state tax rates, (v) terminal growth rate of 2 5% based on a mature company in the digital media industry and (vi) market revenue multiples, adjusted for our reporting units' forecasted operating performance, ranging from 0 3 to 0 5

Our quantitative goodwill impairment tests are sensitive to changes in key assumptions used in our analysis, such as expected future cash flows and market trends If the assumptions used in our analysis are not realized, it is possible that an additional impairment charge may need to be recorded in the future We cannot accurately predict the amount and timing of any impairment of goodwill or other intangible assets Further, we will need to continue to evaluate the carrying value of our goodwill and any additional impairment charges that we may take in the future could have an impact on our results of operations and financial condition. We will actively monitor the results of these reporting units in future quarters

We also performed quantitative and qualitative tests to determine whether these digital reporting units' finite-lived assets are recoverable Based on our estimate of undiscounted future pre-tax cash flows expected to result from the use of these assets, we determined that the carrying amounts are recoverable as of December 31, 2018 No other events or circumstances were noted in 2018 that would indicate impairment

Broadcast Rights Carrying Amount

We record cash broadcast rights contracts as an asset and a liability when the license period has begun, the cost of each program is known or reasonably determinable, we have accepted the program material, and the program is produced and available for broadcast Cash broadcast rights are initially recorded at the contract cost and are amortized on a straight-line basis over the period the programming airs The current portion of cash broadcast rights represents those rights available for broadcast which will be amortized in the succeeding year Periodically, we evaluate the net realizable value, calculated using the average historical rates for the programs or the time periods the programming will air, of our cash broadcast rights and adjust amortization in that quarter for any deficiency calculated As of December 31, 2018, the carrying amounts of our current cash broadcast rights were $7 7 million and our non-current cash broadcast rights were $16 5 million

As discussed in Note 2 to our Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, we adopted the FASB issued new revenue standard (ASU No 2014-09) effective on January 1, 2018 As a result of the adoption, we no longer recognize barter revenue, barter expense, barter broadcast rights and barter broadcast liabilities resulting from the exchange of advertising time for certain program material As of December 31, 2017, the current barter broadcast rights (and the related current barter broadcast liabilities) were $9 7 million and the noncurrent barter broadcast rights (and the related noncurrent barter broadcast liabilities) were $12 5 million On January 1, 2018, an adjustment was recorded to remove the offsetting balances of these accounts.

Pension plans and postretirement benefits

A determination of the liabilities and cost of the Company's pension and other postretirement plans requires the use of assumptions The actuarial assumptions used in the Company's pension and postretirement reporting are reviewed annually with independent actuaries and are compared with external benchmarks, historical trends and the Company's own experience to determine that its assumptions are reasonable. The assumptions used in developing the required estimates include the following key factors:

- discount rates
- expected return on plan assets
- mortality rates
- retirement rates
- expected contributions

The expected rate of return on plan assets is 7 00% The effective discount rate used for determining pension benefit obligations and pension net periodic benefit credit at year end was 4 12% and 3 49%, respectively As of and for the year ended December 31, 2018, our pension benefit obligations and net periodic benefit cost (credit) was $423 7 million and ($11 6) million, respectively As of December 31, 2018, a 1% change in the discount rates would have the following effects (in thousands)

	1% Increase	1% Decrease
Projected impact on net periodic benefit credit	$ 2,394	$ (3,189)
Projected impact on pension benefit obligations	(38,918)	46,409

Retransmission Revenue

We earn revenues from local cable providers, DBS services and other MVPDs and OTTDs for the retransmission of our broadcasts These revenues are generally earned based on a price per subscriber of the distributor within the retransmission area The distributors report their subscriber numbers to us generally on a 30- to 60-day lag, generally upon payment of the fees due to us Prior to receiving the reports, we record revenue based on management's estimate of the number of subscribers, utilizing historical levels and trends of subscribers for each distributor The impact of the lag in the number of subscribers is not significant

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. A valuation allowance is applied against net deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. While we have considered future taxable income in assessing the need for a valuation allowance, in the event that we were to determine that we would not be able to realize all or part of our deferred tax assets in the future, an adjustment to the valuation allowance would be charged to income in the period such a determination was made Section 382 of the Code generally imposes an annual limitation on the amount of NOLs that may be used to offset taxable income when a corporation has undergone significant changes in stock ownership Ownership changes are evaluated as they occur and could limit the ability to use NOLs The Company does not expect any NOLs to expire as a result of Section 382 limitations

The ability to use NOLs is also dependent upon the Company's ability to generate taxable income. The NOLs could expire prior to their use To the extent the Company's use of NOLs is significantly limited, the Company's income could be subject to corporate income tax earlier than it would if it were not able to use NOLs, which could have a negative effect on the Company's financial results and operations Changes in ownership are largely beyond our control and we can give no assurance that we will continue to have realizable NOLs

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities The determination is based on the technical merits of the position and presumes that each uncertain tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information We recognize interest and penalties relating to income taxes as components of income tax expense

Recent Accounting Pronouncements

Refer to Note 2 of our Consolidated Financial Statements in Part IV, Item 15(a) of this Annual Report on Form 10-K for a discussion of recently issued accounting pronouncements, including our expected date of adoption and effects on results of operations and financial position

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt obligations.

The term loan borrowings under the Company's senior credit facilities bear interest at rates ranging from 4 27% to 4 77% as of December 31, 2018, which represented the base rate, or LIBOR, plus the applicable margin, as defined The revolving loans bear interest at LIBOR plus the applicable margin, which totaled 4 27% at December 31, 2018 Interest is payable in accordance with the credit agreements

If LIBOR were to increase by 100 basis points, or one percentage point from the December 31, 2018 level, the Company's annual interest expense would increase and cash flow from operations would decrease by $24 5 million, based on the outstanding balance of its credit facilities as of December 31, 2018 An increase in LIBOR of 50 basis points (one-half of a percentage point) would result in a $12 2 million increase in the Company's annual interest expense and decrease in cash flows from operations If LIBOR were to decrease either by 100 basis points or 50 basis points, the Company's annual interest would decrease and cash flows from operations would increase by $24 5 million and $12 2 million, respectively Our 5 625% Notes, 6 125% Notes and 5 875% Notes are fixed rate debt obligations and therefore are not exposed to market interest rate changes As of December 31, 2018, we have no financial instruments in place to hedge against changes in the benchmark interest rates on our senior credit facilities.

Impact of Inflation

We believe that our results of operations are not affected by moderate changes in the inflation rate

Item 8. Financial Statements and Supplementary Data

Our Consolidated Financial Statements are filed with this report The Consolidated Financial Statements and Supplementary Data are included in Part IV, Item 15(a) of this Annual Report on Form 10-K

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Nexstar's management, with the participation of its President and Chief Executive Officer along with its Chief Financial Officer, conducted an evaluation as of the end of the period covered by this Annual Report of the effectiveness of the design and operation of Nexstar's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act

Based upon that evaluation, Nexstar's President and Chief Executive Officer and its Chief Financial Officer concluded that as of December 31, 2018, Nexstar's disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to Nexstar's management, including its President and Chief Executive Officer and its Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarterly period as of the end of the period covered by this report, there have been no changes in Nexstar's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting

Management's Report on Internal Control over Financial Reporting

Nexstar's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U S GAAP Management assesses the effectiveness of our internal control over financial reporting as of December 31, 2018 based upon the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control -- Integrated Framework (2013)*

As of December 31, 2018, we have excluded from our assessment of internal control over financial reporting the accounts of LKQD, KRBK, and WHDF, because they were acquired in business combinations during 2018, and KIII, because it was a VIE first consolidated during 2018 The total assets and total revenues of these entities that are excluded from our assessment of internal control over financial reporting collectively represent approximately 0.5% and 1.5%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2018 LKQD was the most significant, representing 0 4% of consolidated total assets and 1 2% of consolidated total revenues as of and for the year ended December 31, 2018

Based on management's assessment, we have concluded that our internal control over financial reporting was effective as of December 31, 2018

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2018 as stated in their report which appears herein

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information concerning directors that is required by this Item 10 will be set forth in the Proxy Statement to be provided to stockholders in connection with our 2019 Annual Meeting of Stockholders (the "Proxy Statement") or in an amendment to this Annual Report on Form 10-K under the headings "Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance," which information is incorporated herein by reference

Item 11. Executive Compensation

Information required by this Item 11 will be set forth in the Proxy Statement under the headings "Compensation of Named Executive Officers" and "Compensation of Directors," which information is incorporated herein by reference Information specified in Items 402(k) and 402(l) of Regulation S-K and set forth in the Proxy Statement is incorporated by reference

Item 12. Security Ownership of Certain Beneficial Owners and Management, and Related Stockholder Matters

Information required by this Item 12 will be set forth in the Proxy Statement under the headings "Beneficial Ownership of Nexstar Common Stock," and "Compensation of Named Executive Officers," which information is incorporated herein by reference

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item 13 will be set forth in the Proxy Statement under the heading "Certain Relationships and Related Person Transactions," which information is incorporated herein by reference

Item 14. Principal Accountant Fees and Services

Information required by this Item 14 will be set forth in the Proxy Statement under the heading "Ratification of the Selection of Independent Registered Public Accounting Firm," which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

(1) *Consolidated Financial Statements* The Consolidated Financial Statements of Nexstar Media Group, Inc listed on the index on page F-1 have been included beginning on page F-3 of this Annual Report on Form 10-K

The audited Financial Statements of Mission Broadcasting, Inc as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018, as filed in Mission Broadcasting Inc 's Annual Report on Form 10-K, are incorporated by reference in this report

(2) *Financial Statement Schedules* The schedule of Valuation and Qualifying Accounts appears in Note 17 to the Consolidated Financial Statements filed as part of this report.

(3) *Exhibits* The exhibits listed on the accompanying Index to Exhibits on this Annual Report on Form 10-K are filed, furnished or incorporated into this Annual Report on Form 10-K by reference, as applicable

Item 16. Form 10-K Summary

Not applicable

Exhibit Index

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger, dated as of January 27, 2016, by and between Nexstar Media Group, Inc., Media General, Inc. and Neptune Merger Sub, Inc. (Incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 28, 2016).
2.2	Agreement and Plan of Merger, dated as of November 30, 2018, by and between Nexstar Media Group, Inc., Tribune Media Company and Titan Merger Sub, Inc. (Incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on December 4, 2018).
3.1	Amended and Restated Certificate of Incorporation of Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 3.1 to Registration Statement on Form S-4 (File No. 333-190283) filed by Nexstar Broadcasting, Inc.)
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 17, 2017).
3.3	Amended and Restated By-Laws of Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 30, 2013).
4.1	Specimen Class A Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 to Amendment No. 6 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.)
4.2	Indenture, dated as of January 29, 2015, among Nexstar Broadcasting, Inc., Nexstar Media Group, Inc., as a guarantor, Mission Broadcasting, Inc., as a guarantor, and Wells Fargo Bank, National Association, as trustee (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 30, 2015)
4.3	Form of Senior Note (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 30, 2015)
4.4	Indenture, dated as of July 27, 2016, between Nexstar Escrow Corporation, as issuer, and Wells Fargo Bank, National Association, as trustee (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on July 29, 2016).
4.5	Form of Senior Note (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on July 29, 2016).
4.6	First Supplemental Indenture, dated as of January 17, 2017, by and among Nexstar Broadcasting, Inc., as issuer, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee (Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 17, 2017).
4.7	Indenture, dated as of November 5, 2014, by and between Media General Financing Sub, Inc. (to be merged with and into LIN Television Corporation) and The Bank of New York Mellon (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-06383) filed by Media General, Inc. on November 5, 2014).
4.8	Form of 5.875% Senior Notes due 2022 (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-06383) filed by Media General, Inc. on November 5, 2014).
4.9	Supplemental Indenture, dated as of December 19, 2014, among Media General, Inc. (formerly known as Mercury New Holdco, Inc.), the additional guarantors named therein, LIN Television Corporation and The Bank of New York Mellon, as Trustee, amending the Indenture, dated as of November 5, 2014, incorporated by reference to Exhibit 4.1 to Media General Inc.'s Form 8-K filed December 23, 2014.
4.10	Second Supplemental Indenture, dated as of November 4, 2015, among Media General, Inc., Dedicated Media, Inc., the other guarantors party thereto and The Bank of New York Mellon, as Trustee, amending the Indenture dated as of November 5, 2014, as supplemented (Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q (File No. 001-06383) filed by Media General, Inc. on November 6, 2015)
4.11	Third Supplemental Indenture, dated as of January 17, 2017, by and among LIN Television Corporation, as issuer, the guarantors party thereto, and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.5 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 17, 2017).
4.12	Fourth Supplemental Indenture, dated as of March 17, 2017, by and among Nexstar Broadcasting, Inc., a Delaware corporation, as successor to LIN Television Corporation, the guarantors party thereto, and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q for the period ended March 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.1	Contingent Value Rights Agreement, dated as of January 13, 2017, by and between Nexstar Media Group, Inc. and American Stock Transfer & Trust Company, LLC, as rights agent (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 17, 2017).
10.2	Stock Option Agreement, dated as of November 29, 2011, by and among Mission Broadcasting, Inc., Nancie J. Smith, Dennis Thatcher and Nexstar Broadcasting, Inc. (Incorporated by reference to Exhibit 10.44 to Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-50478) filed by Nexstar Media Group, Inc.).

10.3	Commitment Letter, dated as of January 27, 2016, by and among Nexstar Media Group, Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, Credit Suisse AG, Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch and Deutsche Bank Securities Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 28, 2016).
10.4	Credit Agreement, dated as of January 17, 2017, by and among Nexstar Media Group, Inc., as a holding company, Nexstar Broadcasting, Inc., as the borrower, Bank of America, N.A., as the administrative agent, the collateral agent, a letter of credit issuer and a swing line lender and other financial institutions from time to time party thereto (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 17, 2017).
10.5	Credit Agreement, dated as of January 17, 2017, by and among Nexstar Broadcasting, Inc., Nexstar Media Group, Inc., Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 1, dated as of July 19, 2017 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Broadcasting Group, Inc. on July 25, 2017).
10.6	Credit Agreement, dated as of January 17, 2017, by and among Nexstar Broadcasting, Inc., Nexstar Media Group, Inc., Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 2, dated as of October 26, 2018 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on November 1, 2018).
10.7	Credit Agreement, dated as of January 17, 2017, by and among Mission Broadcasting, Inc., as the borrower and Bank of America, N.A., as the administrative agent and the collateral agent and other financial institutions from time to time party thereto (Incorporated by reference to Exhibit 10.8 to Annual Report on Form 10-K for the period ended December 31, 2016 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.8	Credit Agreement, dated as of January 17, 2017, by and among Mission Broadcasting, Inc., Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 1, dated as of July 19, 2017 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 333-62916-02) filed by Mission Broadcasting, Inc. on July 25, 2017).
10.9	Credit Agreement, dated as of January 17, 2017, by and among Mission Broadcasting, Inc., Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 2, dated as of October 26, 2018 (Incorporate by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 333-62916-02) filed by Mission Broadcasting, Inc. on November 1, 2018).
10.10	Credit Agreement, dated as of January 17, 2017, by and among Marshall Broadcasting Group, Inc., as the borrower and Bank of America, N.A., as the administrative agent and the collateral agent and other financial institutions from time to time party thereto (Incorporated by reference to Exhibit 10.8 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.11	Credit Agreement, dated as of January 17, 2017, by and among Marshall Broadcasting Group, Inc., Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 1, dated as of July 19, 2017 (Incorporated by reference to Exhibit 10.9 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.12	Amendment No. 2 to Credit Agreement, dated as of June 28, 2018, by and among Marshall Broadcasting Group, Inc., Bank of America, N.A. and the several lenders party thereto (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.13	Credit Agreement, dated as of January 17, 2017, by and among WXXA-TV LLC and WLAJ-TV LLC, as the borrower, Shield Media Lansing LLC and Shield Media LLC, as holding companies, and Bank of America, N.A., as the administrative agent and the collateral agent and other financial institutions from time to time party thereto (Incorporated by reference to Exhibit 10.10 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.14	Credit Agreement, dated as of January 17, 2017, by and among WXXA-TV LLC and WLAJ-TV LLC, as the borrower, Shield Media Lansing LLC and Shield Media LLC, as holding companies, and Bank of America, N.A., as the administrative agent and the collateral agent and other financial institutions from time to time party thereto, as amended by that Amendment No. 1, dated as of July 19, 2017 (Incorporated by reference to Exhibit 10.11 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.15	Credit Agreement, dated as of January 17, 2017, by and among WXXA-TV LLC, WLAJ-TV LLC, Shield Media Lansing LLC, Shield Media LLC, Bank of America, N.A. and the several lenders party thereto, as amended by that Amendment No. 2, dated as of October 26, 2018 (Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.16	Executive Employment Agreement, dated as of January 5, 1998, by and between Perry A. Sook and Nexstar Media Group, Inc., as amended on January 5, 1999 (Incorporated by reference to Exhibit 10.31 to Registration Statement on Form S-4 (File No. 333-62916) filed by Nexstar Finance, L.L.C. and Nexstar Finance, Inc.).
10.17	Amendment to Employment Agreement, dated as of May 10, 2001, by and between Perry A. Sook and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.12 to Registration Statement on Form S-4 (File No. 333-62916) filed by Nexstar Finance, L.L.C. and Nexstar Finance, Inc.).

10.18	Modifications to Employment Agreement, dated as of September 26, 2002, by and between Perry A. Sook and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.55 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.19	Addendum to Employment Agreement, dated as of August 25, 2003, by and between Perry A. Sook and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.20 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.20	Addendum to Employment Agreement, dated as of July 2, 2007, by and between Perry A. Sook and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended June 30, 2007 (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 8, 2007).
10.21	Addendum to Executive Employment Agreement between Perry A. Sook and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.93 to Annual Report on Form 10-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on March 31, 2009).
10.22	Addendum to Executive Employment Agreement, dated as of September 11, 2012, between Perry A. Sook and Nexstar Broadcasting, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on September 17, 2012).
10.23	Amendment to Executive Employment Agreement, dated as of January 29, 2015 between Perry A. Sook and Nexstar Broadcasting, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on February 5, 2015).
10.24	Amendment to Executive Employment Agreement, dated as of January 15, 2019 between Perry A. Sook and Nexstar Broadcasting, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 22, 2019).
10.25	Executive Employment Agreement, dated as of July 13, 2009, by and between Thomas E. Carter and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 12, 2009).
10.26	Amendment to the Executive Agreement between Thomas E. Carter and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 1, 2014).
10.27	Amendment to Executive Employment Agreement, dated as of January 9, 2017, between Thomas E. Carter and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on January 13, 2017).
10.28	Executive Employment Agreement between Timothy Busch and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 12, 2008).
10.29	Amendment to the Executive Employment Agreement, dated as of May 31, 2013, between Timothy C. Busch and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on June 6, 2013).
10.30	Second Amendment to the Executive Employment Agreement, dated as of January 17, 2017, between Timothy C. Busch and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended March 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.)
10.31	Executive Employment Agreement between Brian Jones and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 12, 2008).
10.32	Amendment to the Executive Employment Agreement, dated as of May 31, 2013, between Brian Jones and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on June 6, 2013).
10.33	Second Amendment to the Executive Employment Agreement, dated as of January 17, 2017, between Brian Jones and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the period ended March 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.34	Amendment to Executive Employment Agreement, dated as of July 27, 2017, between Brian Jones and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the period ended March 31, 2018 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.35	Executive Employment Agreement, dated as of April 1, 2017, between Gregory Raifman and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.29 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.36	Time Brokerage Agreement, dated as of April 1, 1996, by and between SJL Communications, L.P. and NV Acquisitions Co. (WFXP - WJET) (Incorporated by reference to Exhibit 10.18 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.37	Amendment to Time Brokerage Agreement, dated as of July 31, 1998, between SJL Communications, L.P. and NV Acquisitions Co. (WFXP - WJET) (Incorporated by reference to Exhibit 10.49 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.38	Amendment to Time Brokerage Agreement, dated as of July 17, 2006, between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (WFXP - WJET) (Incorporated by reference to Exhibit 10.21 to Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-50478) filed by Nexstar Media Group, Inc.).

10.39	Letter notifying Mission Broadcasting, Inc. of the election to extend Time Brokerage Agreement (WFXP - WJET) (Incorporated by reference to Exhibit 10.22 to Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.40	Amendment to Time Brokerage Agreement, dated as of August 2, 2016, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WFXP) (Incorporated by reference to Exhibit 10.16 to Quarterly Report on Form 10-Q for the period ended March 31, 2016 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.)
10.41	Shared Services Agreement entered into as of July 1, 2017 by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (Incorporated by reference to Exhibit 10.77 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.42	Agreement for the Sale of Commercial Time, dated as of June 1, 1999, among Mission Broadcasting of Wichita Falls, Inc., David Smith and Nexstar Broadcasting of Wichita Falls, L.P. (KJTL and KJBO-LP - KFDX) (Incorporated by reference to Exhibit 10.44 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.43	Amendment to Agreement for Sale of Commercial Time, dated January 1, 2004, by and between Nexstar Broadcasting, Inc. (as successor to Nexstar Broadcasting of Wichita Falls, L.P.) and Mission Broadcasting, Inc. (f/k/a Mission Broadcasting of Wichita Falls, Inc.) (KJTL and KJBO - KFDX) (Incorporated by reference to Exhibit 10.101 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.44	Agreement for the Sale of Commercial Time, dated as of May 9, 2003, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting of the Midwest, Inc. (WAWV - WTWO) (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the period ended June 30, 2003 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.45	Amendment to Agreement for Sale of Commercial Time, dated January 15, 2004, by and between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (WAWV-WTWO) (Incorporated by reference to Exhibit 10.97 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.46	Extension of the Agreement for the Sale of Commercial Time, dated as of May 1, 2013, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WAWV-TV) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended March 31, 2013 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.47	Amendment to Agreement for Sale of Commercial Time, dated December 30, 2003, by and between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (KOLR-KOZL) (Incorporated by reference to Exhibit 10.93 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.48	Amendment to Agreement for Sale of Commercial Time, dated December 30, 2003, by and between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (KAMC-KLBK) (Incorporated by reference to Exhibit 10.91 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.49	Amendment to Agreement for Sale of Commercial Time, dated January 1, 2004, by and between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (KCIT-KAMR) (Incorporated by reference to Exhibit 10.95 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.50	Agreement for Sale of Commercial Time, dated April 1, 2004, by and between Nexstar Broadcasting, Inc. and Mission Broadcasting, Inc. (WUTR-WFXV) (Incorporated by reference to Exhibit 10.99 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-114963) filed by Nexstar Broadcasting, Inc.).
10.51	Letter dated March 25, 2014, notifying Mission Broadcasting, Inc. of the election to extend Shared Services Agreement and Agreement for the Sale of Commercial Time (WUTR) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended March 31, 2014 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.52	Agreement for the Sale of Commercial Time, dated December 1, 2011, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WTHI-WTVW) (Incorporated by reference to Exhibit 10.46 to Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.53	Agreement for the Sale of Commercial Time, dated as of January 1, 2013, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KLRT-TV - KASN) (Incorporated by reference to Exhibit 10.85 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.54	Agreement for the Sale of Commercial Time, dated as of March 1, 2013, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WYNY) (Incorporated by reference to Exhibit 10.88 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.55	Letter, extending Shared Services Agreement and Sale of Commercial Time, dated as of June 1, 2013, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KRBC) (Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-Q for the period ended June 30, 2013 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.56	Letter dated May 28, 2014, notifying Mission Broadcasting, Inc. of the election to extend Shared Services Agreement and Agreement for the Sale of Commercial Time (KSAN) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended June 30, 2014 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.57	Letter dated September 15, 2014, notifying Mission Broadcasting, Inc. of the election to extend the Agreement for the Sale of Commercial Time (WYOU) (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the period ended September 30, 2014 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.58	Letter dated September 15, 2014, notifying Mission Broadcasting, Inc. of the election to extend the Agreement for the Sale of Commercial Time (KODE) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the period ended September 30, 2014 (File No. 000-50478) filed by Nexstar Media Group, Inc.).

10.59	Letter dated October 15, 2014, notifying Mission Broadcasting, Inc. of the election to extend Shared Services Agreement and Agreement for the Sale of Commercial Time (WTVO) (Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q for the period ended September 30, 2014 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.60	Agreement for the Sale of Commercial Time, dated as of January 15, 2018, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KLVI-TV) (Incorporated by reference to Exhibit 10.56 to Annual Report on Form 10-K for the period ended December 31, 2017 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.61	Option Agreement, dated as of November 30, 1998, among Bastet Broadcasting, Inc., David Smith and Nexstar Broadcasting Group, L.L.C. (WFXP) (Incorporated by reference to Exhibit 10.47 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.62	Amendment to Option Agreement, dated as of November 15, 2014, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WFXP) (Incorporated by reference to Exhibit 10.37 to Annual Report on Form 10-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on March 2, 2015).
10.63	Option Agreement, dated as of May 19, 1998, among Bastet Broadcasting, Inc., David Smith and Nexstar Broadcasting of Northeastern Pennsylvania, L.P. (WYOU) (Incorporated by reference to Exhibit 10.45 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.64	Option Agreement, dated as of June 1, 1999, among Mission Broadcasting of Wichita Falls, Inc., David Smith and Nexstar Broadcasting of Wichita Falls, L.P. (KJTL and KJBO-LP) (Incorporated by reference to Exhibit 10.42 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.65	Option Agreement, dated as of April 1, 2002, by and between Mission Broadcasting of Joplin, Inc. and Nexstar Broadcasting of Joplin, L.L.C. (KODE) (Incorporated by reference to Exhibit 10.50 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.66	Amendment to Option Agreements, dated as of October 18, 2002, among Mission Broadcasting, Inc., David Smith, Nexstar Broadcasting of Northeastern Pennsylvania, L.L.C., Nexstar Broadcasting Group, L.L.C., Nexstar Broadcasting of Wichita Falls, L.L.C., and Nexstar Broadcasting of Joplin, L.L.C. (WYOU, WFXP, KJTL, KJBO-LP and KODE) (Incorporated by reference to Exhibit 10.54 to Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.67	Amendment to Option Agreement, dated as of May 1, 2018, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WYOU) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.68	Amendment to Option Agreement, dated as of May 1, 2018, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KJTL) (Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.69	Amendment to Option Agreement, dated April 25, 2011, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KODE) (Incorporated by reference to Exhibit 10.26 to Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.70	Option Agreement, dated as of May 9, 2003, among Mission Broadcasting, Inc., David Smith and Nexstar Broadcasting of the Midwest, Inc. (WAWV) (Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q for the period ended June 30, 2003 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.71	Amendment of Option Agreement, dated as of May 1, 2012, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WAWV) (Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 8, 2012).
10.72	Option Agreement, dated as of June 13, 2003, among Mission Broadcasting, Inc., David Smith and Nexstar Broadcasting of Abilene, L.L.C. (KRBC) (Incorporated by reference to Exhibit 10.61 to Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-86994) filed by Nexstar Media Group, Inc.).
10.73	Amendment to Option Agreement, dated as of June 1, 2012, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KRBC and KSAN) (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q (File No. 000-50478) filed by Nexstar Media Group, Inc. on August 8, 2012).
10.74	Amendment to Option Agreement, dated as of December 17, 2012, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KHMT) (Incorporated by reference to Exhibit 10.66 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.75	Amendment to Option Agreement, dated as of December 17, 2012, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KAMC) (Incorporated by reference to Exhibit 10.65 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.76	Amendment to Option Agreement, dated as of December 17, 2012, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KOLR) (Incorporated by reference to Exhibit 10.67 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.77	Option Agreement, dated as of January 1, 2013, among Mission Broadcasting, Inc., Nancie Smith, Dennis Thatcher and Nexstar Broadcasting, Inc. (KLRT-TV - KASN) (Incorporated by reference to Exhibit 10.87 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.78	Option Agreement, dated as of March 1, 2013, among Mission Broadcasting, Inc., Nancie Smith, Dennis Thatcher and Nexstar Broadcasting, Inc. (WVNY) (Incorporated by reference to Exhibit 10.90 to Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 000-50478) filed by Nexstar Media Group, Inc.).

10.79	Amendment to Option Agreement, dated October 15, 2013, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (WTVO) (Incorporated by reference to Exhibit 10.54 to Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.80	Option Agreement, dated as of November 1, 2013, among Mission Broadcasting, Inc., Nancie Smith, Dennis Thatcher and Nexstar Broadcasting, Inc. (WTVW) (Incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q for the period ended September 30, 2013 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.81	Amendment to Option Agreement, dated as of January 15, 2017, among Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KLVI) (Incorporated by reference to Exhibit 10.76 to Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
10.82	Amendment to Option Agreement, dated as of May 1, 2018, by and between Mission Broadcasting, Inc. and Nexstar Broadcasting, Inc. (KCIT) (Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 (File No. 333-62916-02) filed by Mission Broadcasting, Inc.).
10.83	Nexstar Media Group, Inc. 2003 Long-Term Equity Incentive Plan (Incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-8 (File No. 333-117166) filed by Nexstar Media Group, Inc. on July 6, 2004).
10.84	Nexstar Media Group, Inc. 2006 Long-Term Equity Incentive Plan (Incorporated by reference to Information Required in Proxy Statement on Schedule 14A (File No. 000-50478) filed by Nexstar Media Group, Inc. on May 1, 2006).
10.85	Nexstar Media Group, Inc. 2012 Long-Term Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478) filed by Nexstar Media Group, Inc. on October 2, 2012).
10.86	Nexstar Media Group, Inc. 2015 Long-Term Equity Incentive Plan (Incorporated by reference to Definitive Proxy Statement on Schedule 14A (File No. 000-50478) filed by Nexstar Media Group, Inc. on April 24, 2015).
14.1	Nexstar Media Group, Inc. Code of Ethics (Incorporated by reference to Exhibit 14.1 to the Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 000-50478) filed by Nexstar Media Group, Inc.).
21.1	Subsidiaries of the Registrant.*
23.1	Consent issued by PricewaterhouseCoopers LLP.*
31.1	Certification of Perry A. Sook pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Thomas E. Carter pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Perry A. Sook pursuant to 18 U.S.C. ss. 1350.*
32.2	Certification of Thomas E. Carter pursuant to 18 U.S.C. ss. 1350.*
101	The Company's Consolidated Financial Statements and related Notes for the year ended December 31, 2018 from this Annual Report on Form 10-K, formatted in iXBRL (Inline eXtensible Business Reporting Language).*

\+ Schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished to the Securities and Exchange Commission upon request.

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

NEXSTAR MEDIA GROUP, INC

By: /s/ PERRY A. SOOK
Perry A. Sook
President and Chief Executive Officer

By: /s/ THOMAS E. CARTER
Thomas E. Carter
Chief Financial Officer

Dated February 26, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities indicated on February 26, 2019

Name	Title
/s/ PERRY A. SOOK **Perry A. Sook**	President, Chief Executive Officer and Chairman (Principal Executive Officer)
/s/ THOMAS E. CARTER **Thomas E. Carter**	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ GEOFF ARMSTRONG **Geoff Armstrong**	Director
/s/ DENNIS J. FITZSIMONS **Dennis J. FitzSimons**	Director
/s/ JAY M. GROSSMAN **Jay M. Grossman**	Director
/s/ C. THOMAS MCMILLEN **C. Thomas McMillen**	Director
/s/ LISBETH MCNABB **Lisbeth McNabb**	Director
/s/ DENNIS A. MILLER **Dennis A. Miller**	Director
/s/ JOHN R. MUSE **John R. Muse**	Director
/s/ I. MARTIN POMPADUR **I. Martin Pompadur**	Director

NEXSTAR MEDIA GROUP, INC.
INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Nexstar Media Group, Inc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Nexstar Media Group, Inc and its subsidiaries (the "Company") as of December 31, 2018 and 2017 and the related consolidated statements of operations and comprehensive income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2018 including the related notes (collectively referred to as the "consolidated financial statements") We also have audited the Company's internal control over financial reporting as of December 31, 2018 based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)

In our opinion the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America Also, in our opinion the Company maintained in all material respects, effective internal control over financial reporting as of December 31 2018 based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for revenues from contracts with customers and the manner in which it accounts for restricted cash in 2018

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U S federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB

We conducted our audits in accordance with the standards of the PCAOB Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud and whether effective internal control over financial reporting was maintained in all material respects

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements whether due to error or fraud, and performing procedures that respond to those risks Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk Our audits also included performing such other procedures as we considered necessary in the circumstances We believe that our audits provide a reasonable basis for our opinions

As described in Management's Report on Internal Control over Financial Reporting, management has excluded from its assessment of internal control over financial reporting as of December 31, 2018 LKQD, KRBK and WHDF, because they were acquired by the Company in business combinations during 2018 and KHII because it was a VIE first consolidated by the Company during 2018 We have also excluded LKQD, KRBK, WHDR and KHII from our audit of internal control over financial reporting The total assets and total revenues excluded from management s assessment and our audit of internal control over financial reporting for LKQD, KRBK, WHDF (each wholly-owned subsidiaries) and KHII (a consolidated subsidiary) collectively represent approximately 0 5% and 1 5%, respectively, of the related consolidated financial amounts as of and for the year ended December 31 2018 LKQD was the most significant, representing 0 4% of consolidated total assets and 1 2% of consolidated total revenues as of and for the year ended December 31, 2018

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

/s/ PricewaterhouseCoopers LLP
Dallas, Texas

February 26, 2019
We have served as the Company s auditor since 1997

NEXSTAR MEDIA GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 145,115	$ 115 652
Accounts receivable, net of allowance for doubtful accounts of $13,158 and $13,358, respectively	547 285	562,943
Spectrum asset	52 002	305,764
Prepaid expenses and other current assets	22,673	71,859
Total current assets	767,075	1,056,218
Property and equipment, net	731,538	734,138
Goodwill	2 167 954	2,142,846
FCC licenses	1,778,268	1,767,638
Other intangible assets, net	1,491,923	1,581,626
Other noncurrent assets net	125,272	199,181
Total assets(1)	$ 7 062 030	$ 7,481,647
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of debt	$ 96,093	$ 92,808
Accounts payable	67,828	31,136
Accrued expenses	143,850	175,940
Interest payable	32,047	39,563
Liability to surrender spectrum asset	52,002	314,087
Other current liabilities	12 352	17,169
Total current liabilities	404 172	670,703
Debt	3,884,910	4,269,652
Deferred tax liabilities	633,880	619,441
Other noncurrent liabilities	270,084	340,541
Total liabilities(1)	5,193,046	5,900,337
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred stock - $0 01 par value, 200,000 shares authorized none issued and outstanding at each of December 31, 2018 and 2017	-	-
Class A Common stock - $0 01 par value 100,000,000 shares authorized, 47,291,463 shares issued, 45,626,246 shares outstanding as of December 31, 2018 and 47,291,463 shares issued, 45,966,414 shares outstanding as of December 31, 2017	473	473
Class B Common stock - $0 01 par value, 20,000,000 shares authorized, none issued and outstanding at each of December 31, 2018 and 2017	-	-
Class C Common stock - $0 01 par value, 5,000,000 shares authorized, none issued and outstanding at each of December 31, 2018 and 2017	-	-
Additional paid-in capital	1 351,931	1,342,541
Accumulated other comprehensive (loss) income	(14 316)	6,140
Retained earnings	620 371	299,523
Treasury stock - at cost 1,665 217 and 1,325 049 shares at December 31, 2018 and 2017, respectively	(105,685)	(78 063)
Total Nexstar Media Group Inc stockholders' equity	1 852,774	1,570,614
Noncontrolling interests in consolidated variable interest entities	16 210	10,696
Total stockholders' equity	1,868 984	1,581,310
Total liabilities and stockholders' equity	$ 7 062,030	$ 7,481,647

The accompanying Notes are an integral part of these Consolidated Financial Statements

(1) The consolidated total assets as of December 31, 2018 and 2017 include certain assets held by consolidated VIEs of $390 3 million and $426 9 million, respectively, which are not available to be used to settle the obligations of Nexstar The consolidated total liabilities as of December 31, 2018 and 2017 include certain liabilities of consolidated VIEs of $45 1 million and $81 8 million, respectively, for which the creditors of the VIEs have no recourse to the general credit of Nexstar See Note 2 for additional information

NEXSTAR MEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except per share information)

	Years Ended December 31, 2018	2017	2016
Net revenue	$ 2,766,696	$ 2,431,966	$ 1,103,190
Operating expenses (income)			
Direct operating expenses, excluding depreciation and amortization	1,117,917	993,405	381,997
Selling, general and administrative expenses, excluding depreciation and amortization	579,933	605,106	263,606
Amortization of broadcast rights	61,342	105,403	57,145
Amortization of intangible assets	149,406	159,500	46,572
Depreciation	109,789	100,658	51,300
Reimbursement from the FCC related to station repack	(29,381)	-	-
Goodwill and intangible assets impairment	19,911	19,985	15,262
Gain on disposal of stations, net	-	(57,716)	-
Total operating expenses	2,008,917	1,926,341	815,882
Income from operations	757,779	505,625	287,308
Interest expense, net	(220,994)	(241,195)	(116,081)
Loss on extinguishment of debt	(12,120)	(34,882)	-
Pension and other postretirement plans credit, net	10,755	13,120	-
Other expenses	(2,475)	(1,284)	(555)
Income before income taxes	532,945	241,384	170,672
Income tax (expense) benefit	(144,680)	233,943	(77,572)
Net income	388,265	475,327	93,100
Net loss (income) attributable to noncontrolling interests	1,212	(330)	(1,563)
Net income attributable to Nexstar Media Group, Inc	$ 389,477	$ 474,997	$ 91,537
Net income per common share attributable to Nexstar Media Group, Inc.:			
Basic	$ 8.52	$ 10.38	$ 2.98
Diluted	$ 8.21	$ 10.07	$ 2.89
Weighted average number of common shares outstanding:			
Basic	45,718	45,754	30,687
Diluted	47,412	47,149	31,664
Net income	$ 388,265	$ 475,327	$ 93,100
Other comprehensive (loss) income			
Change in unrecognized amounts included in pension and other postretirement benefit obligations, net of tax benefit (expense) of $7,147 in 2018 and ($2,160) in 2017	(20,456)	6,140	-
Total comprehensive income	367,809	481,467	93,100
Total comprehensive loss (income) attributable to noncontrolling interests	1,212	(330)	(1,563)
Total comprehensive income attributable to Nexstar Media Group, Inc	$ 369,021	$ 481,137	$ 91,537

The accompanying Notes are an integral part of these Consolidated Financial Statements

NEXSTAR MEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Three Years Ended December 31, 2018
(in thousands, except share information)

	Class A Common Stock Shares	Class A Common Stock Amount	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Shares	Treasury Stock Amount	Noncontrolling interests	Total Stockholders' Equity
Balances as of December 31, 2015	31,621,369	$ 316	$ 396,224	$ (268,120)	$ -	(993,565)	$ (47,746)	$ 5,699	$ 86,373
Stock-based compensation expense	-	-	11,390	-	-	-	-	-	11,390
Vesting of restricted stock units and exercise of stock options	-	-	(5,008)	-	-	116,821	6,233	-	1,225
Excess tax benefit from stock option exercises	-	-	13,760	-	-	-	-	-	13,760
Common stock dividends declared	-	-	(29,445)	-	-	-	-	-	(29,445)
Consolidation of variable interest entities	-	-	-	-	-	-	-	108,694	108,694
Purchase of noncontrolling interests	-	-	-	-	-	-	-	(100)	(100)
Distribution to a noncontrolling interest	-	-	-	-	-	-	-	(643)	(643)
Net income	-	-	-	91,537	-	-	-	1,563	93,100
Balances as of December 31, 2016	31,621,369	316	386,921	(176,583)	-	(876,744)	(41,513)	115,213	284,354
Adjustment to adopt ASU 2016-16	-	-	-	764	-	-	-	-	764
Issuance/reissuance of stock in connection with a merger	15,670,094	157	1,007,956	-	-	560,316	23,330	-	1,031,443
Stock option replacement awards in connection with a merger	-	-	10,702	-	-	-	-	-	10,702
Purchase of treasury stock	-	-	-	-	-	(1,689,132)	(99,008)	-	(99,008)
Stock-based compensation expense	-	-	24,068	-	-	-	-	-	24,068
Vesting of restricted stock units and exercise of stock options	-	-	(31,214)	-	-	680,511	39,128	-	7,914
Common stock dividends declared	-	-	(55,892)	-	-	-	-	-	(55,892)
Purchase of noncontrolling interests from variable interest entities	-	-	-	-	-	-	-	(108,694)	(108,694)
Consolidation of variable interest entities	-	-	-	-	-	-	-	7,600	7,600
Deconsolidation of a variable interest entity	-	-	-	345	-	-	-	(4,000)	(3,655)
Contribution from a noncontrolling interest	-	-	-	-	-	-	-	659	659
Distribution to noncontrolling interests	-	-	-	-	-	-	-	(412)	(412)
Change in pension and other postretirement benefit obligations, net of tax	-	-	-	-	6,140	-	-	-	6,140
Net income	-	-	-	474,997	-	-	-	330	475,327
Balances as of December 31, 2017	47,291,463	473	1,342,541	299,523	6,140	(1,325,049)	(78,063)	10,696	1,581,310
Purchase of treasury stock	-	-	-	-	-	(751,920)	(50,524)	-	(50,524)
Stock-based compensation expense	-	-	31,260	-	-	-	-	-	31,260
Vesting of restricted stock units and exercise of stock options	-	-	(21,870)	-	-	411,752	22,902	-	1,032
Common stock dividends declared	-	-	-	(68,629)	-	-	-	-	(68,629)
Consolidation of a variable interest entity	-	-	-	-	-	-	-	6,500	6,500
Contribution from a noncontrolling interest	-	-	-	-	-	-	-	226	226
Change in pension and other postretirement benefit obligations, net of tax	-	-	-	-	(20,456)	-	-	-	(20,456)
Net income (loss)	-	-	-	389,477	-	-	-	(1,212)	388,265
Balances as of December 31, 2018	47,291,463	$ 473	$ 1,351,931	$					