

ASSET PURCHASE AGREEMENT

dated as of October 29, 2010

by and between

WQED MULTIMEDIA,

and

ION MEDIA OF SCRANTON, INC.

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "*Agreement*"), dated as of October 29, 2010, is by and between WQED MULTIMEDIA, a Pennsylvania corporation ("*Seller*") and ION MEDIA OF SCRANTON, INC., a Florida corporation ("*Buyer*").

RECITALS

Seller is the owner and licensee of WQEX, a television station in Pittsburgh, Pennsylvania, Facility ID No. 41314 (the "*Station*"), pursuant to a license issued by the Federal Communications Commission (the "*FCC*"); and

Buyer desires to purchase from Seller substantially all of the assets and assume certain of the liabilities, and Seller desires to sell to Buyer substantially all of the assets and transfer certain of the liabilities, related to the conduct of the Station on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements to be derived from this Agreement, Buyer and Seller hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions.

As used in this Agreement, the following terms shall have the following meanings:

"*Accounting Firm*" means a national or regional accounting firm mutually agreed upon by Seller and Buyer.

"*Accounts Receivable*" means all accounts and all rights to receive payments under any notes, bonds and other evidences of indebtedness and all other rights to receive payments arising out of sales occurring in connection with the Business.

"*Action*" means any claim, action, suit, arbitration, inquiry, demand, hearing, proceeding or investigation by or before any Governmental Authority.

"*Affiliate*" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by or under common Control with such first-named Person.

"*Ancillary Agreements*" means, as to either party hereto, all of the documents and instruments required to be executed pursuant to this Agreement by such party in connection with this Agreement or the transactions contemplated hereby, including, without limitation, the Tower Lease Agreement and the Studio Lease Agreement.

"*Business*" means the business and operations of the Station.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in New York.

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” means collectively, the Communications Act of 1934, as amended, the Telecommunications Act of 1996, the Children’s Television Act of 1990, and the rules and regulations promulgated under the foregoing, in each case, as in effect from time to time.

“Confidentiality Agreement” means the confidentiality agreement between Buyer and M.C. Alcamo & Co., Inc., dated as of September 15, 2009.

“Contracts” means contracts, agreements, leases, mortgages, non-governmental licenses, indentures, notes, bonds, franchise agreements, concession agreements and other binding agreements (including Leases), written or oral (including any amendments, modifications and supplements thereto, and any assignments thereof).

“Control” means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “Controlled” and “Controlling” shall have a correlative meaning.

“Copyrights” means all foreign and domestic copyrightable works and other works of authorship, whether or not protectable by copyright (including advertisements, commercials and promotional materials, graphics, photographs, programs and programming material, and jingles), copyrights, copyright applications, registrations and similar rights, software interfaces (e.g., APIs), software programs and software applications (including object code and source code), Internet websites, including all content and materials displayed on and/or accessible through such sites, including all ownership and use rights with respect thereto, held by or on behalf or for the benefit of Seller for use in connection with the Business and including those registered copyrights and copyright applications identified on Disclosure Schedule Section 3.06(a), and all rights to use and extensions, modifications, renewals and restorations of any of the foregoing.

“Domain Names” means domain names and registrations held by or on behalf or for the benefit of Seller for use in connection with the Business, including those registered domain names identified on Disclosure Schedule Section 3.06(a), and all rights to use, and extensions and renewals of any of the foregoing.

“Effective Time” means 12:01 a.m., Washington, D.C. time, on the Closing Date.

“Employee Plan” means any (a) employee benefit plan, arrangement or policy subject to ERISA, including any retirement, pension, deferred compensation, severance, profit sharing, savings, group health, dental, life insurance, disability or cafeteria plan, policy or arrangement; (b) stock option, stock purchase or equity-based compensation plan; (c) bonus or incentive arrangement; (d) severance or termination agreements, policies or arrangements that are not covered by ERISA; and (e) other employee benefit plan, program, policy or arrangement, in each

case, maintained or contributed to or required to be maintained or contributed to by Seller or any of its Affiliates for the benefit of any current or former Station Employee.

“Equipment” means all machinery, equipment, computers and motor vehicles owned or leased by Seller and used or held for use or useful in connection with the Business, and furniture, fixtures, furnishings, tools, toolings, parts, blank films and tapes, transmitters, antennas, cables and other items of tangible personal property owned or leased by Seller and used or held for use or useful in connection with the Business.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“FCC Consent” means the FCC’s grant of its consent to the assignment of each of the FCC Licenses from Seller to Buyer.

“FCC Licenses” means the FCC license identified on Disclosure Schedule Section 3.12(a)(1), and any other license, permit or other authorization, including any temporary waiver or special temporary authorization, issued by the FCC for the ownership and use in the operation of the Station, and any renewals, extensions or modifications thereof or any pending application therefor.

“Final Order” means an action by the FCC (a) that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (b) with respect to which no request for stay, motion or petition for rehearing, reconsideration or review, or application or request for review or notice of appeal or *sua sponte* review by the FCC is pending; and (c) as to which the time for filing any such request, motion, petition, application, appeal or notice, and for the entry of orders staying, reconsidering or reviewing on the FCC’s own motion has expired.

“GAAP” means, as of any date of determination, United States generally accepted accounting principles in effect on such date of determination, consistently applied.

“Governmental Authority” means any federal, state, local or foreign government, legislature, governmental entity, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Indebtedness” means all liabilities (a) for borrowed money, whether current or funded, secured or unsecured, all obligations evidenced by bonds, debentures, notes or similar instruments, and all liabilities in respect of mandatorily redeemable or purchasable capital stock or securities convertible into capital stock; (b) for the deferred purchase price of property or services; (c) in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which liabilities are required to be classified and accounted for under GAAP as capital leases; (d) for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction, whether or not securing obligations of a type described in clauses (a), (b), (c) or (d) above to the extent of the obligation

secured; and (e) as guarantor of any obligation of another Person of the type described in clauses (a), (b), (c) or (d) above.

“Intangible Property” means (a) Copyrights; (b) Trademarks, including all of the rights in and to the Station’s call letters and any derivative thereof; (c) Trade Secrets; (d) Domain Names; (e) Patents; (f) copies and tangible embodiments of and any documentation (e.g., user manuals) relating to any of the foregoing (in whatever form or medium); (g) licenses granting any rights with respect to any of the foregoing; (h) rights to sue with respect to past, current and future infringements of any of the foregoing; (i) all other intangible property held by or on behalf or for the benefit of Seller for use in connection with the Business; and (j) all goodwill, if any, associated with any of the foregoing.

“IRS” means the Internal Revenue Service.

“Knowledge of Seller” means the actual knowledge, after due inquiry, of the chief executive officer, vice president - legal affairs and human resources and executive director of engineering, or persons performing similar functions.

“Law” means any United States (federal, state, local) or foreign law, constitution, treaty statute, ordinance, regulation, rule, code, order, judgment, injunction, writ or decree.

“Leases” means those leases, subleases, licenses or other occupancy agreements (including any and all assignments, amendments and other modifications of such leases, subleases, licenses and other occupancy agreements) pertaining to Real Property.

“Liabilities” means any debt, obligation or liability of any kind or nature, whether accrued or fixed, absolute or contingent, determined or determinable, matured or unmatured, and whether due or to become due, asserted or unasserted, or known or unknown.

“Lien” means, with respect to any property or asset, any mortgage, lien, pledge, restriction on transfer (such as a right of first refusal or other similar right), defect of title, charge, security interest or encumbrance of any kind or nature whatsoever, whether voluntarily incurred or arising by operation of Law or otherwise, in respect of such property or asset.

“Material Adverse Effect” means a material adverse effect on (a) the business, condition (financial or otherwise), assets, liabilities, operations or results of operations of the Business taken as a whole; provided, however, that any such effect shall not constitute a Material Adverse Effect to the extent attributable to (i) any event, state of facts or circumstances or development affecting television programming services generally or the television broadcast industry generally (including legislative or regulatory matters) to the extent not disproportionately affecting the Business relative to other businesses operating in the same industry, (ii) general economic conditions, including any downturn caused by acts of war or terrorism or a natural disaster, such as an earthquake or hurricane to the extent not disproportionately affecting the Business relative to other businesses operating in the same industry, (iii) the announcement of this Agreement, or (iv) changes in GAAP or the interpretation thereof, to the extent not disproportionately affecting the Business relative to other businesses operating in the same industry; or (b) the ability of Seller to perform its obligations under this Agreement or any Ancillary Agreement.

“Patents” means patents, patent applications and disclosures, inventions conceived (whether or not reduced to practice), and related improvements held by or on behalf or for the benefit of Seller for use in connection with the Business, including those registered patents and patent applications identified on Disclosure Schedule Section 3.06(a), and all extensions, modifications, renewals and restorations of any of the foregoing.

“Permitted Liens” means, as to any property or asset or as to the Station: (a) Liens arising under Assumed Contracts; (b) liens for Taxes, assessments and governmental charges not yet due and payable; (c) zoning laws and ordinances and similar Laws that are not violated by any existing improvement or that do not prohibit or materially inhibit the use of the Real Property as currently used in the operation of the Station; (d) any right reserved to any Governmental Authority to regulate the affected property (including restrictions stated in the Permits); (e) in the case of any leased asset, (i) the rights of any lessor under the applicable lease agreement or any Lien granted by any lessor, and (ii) any statutory Lien for amounts that are not yet due and payable or are being contested in good faith through appropriate proceedings, provided that the amount of any such statutory Lien is not material and that Seller pays such amount at Closing or Buyer receives an appropriate credit therefor under Section 2.08 hereof; (f) the rights of any lessee or licensee under Leases included in the Assumed Contracts; (g) inchoate materialmen’s, mechanics’, workmen’s, repairmen’s or other like Liens arising in the ordinary course of business to the extent Buyer receives an appropriate credit under Section 2.08 hereof; (h) Liens listed on Disclosure Schedule Section 1.01(b) that will be discharged by Seller at its sole cost and expense prior to the Closing; and (i) any other Lien, other than a Lien securing a monetary obligation, that does not detract from or interfere with any use of or impair the value of any such property or asset as currently used.

“Person” means any natural person, general or limited partnership, corporation, limited liability company, firm, association, trust or other legal entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Post-Closing Tax Period” means any Tax period (or portion thereof) beginning at or after the Effective Time.

“Pre-Closing Tax Period” means any Tax period (or portion thereof) ending at or prior to the Effective Time.

“Representatives”, with respect to any Person, means the partners, offices, directors, employees, representatives or agents (including, without limitation, investment bankers, financial advisors, attorneys, accountants, brokers and other advisors) of such Person.

“Station Employees” means, as to employees of Seller, the full-time, part-time and per-diem employees employed primarily in the operation of the Station.

“Tax” or *“Taxes”* means any and all federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs, duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on

minimum, estimated, escheat and unclaimed property taxes, and any other taxes, charges, fees, levies, imposts, duties or other similar assessments of any kind whatsoever, together with any interest, penalty, or additional amounts imposed with respect thereto, whether disputed or not.

“*Tax Return*” means any return, declaration, report, claim for refund, information return or other statement or document relating to Taxes (including any schedule or attachment thereto and any amendment thereof) filed or required to be filed with any Governmental Authority.

“*Trademarks*” means all foreign and domestic trade names, trademarks, service marks, trade dress, slogans, logos, call letters, corporate names and telephone numbers containing or reflecting any of the foregoing, and all other indicia of origin, trademark and service mark registrations and applications (other than as included in the Excluded Assets) owned, used, licensed by or leased by or on behalf or for the benefit of Seller in connection with the operation of the Business including those set forth on Disclosure Schedule Section 3.06(a), and the goodwill appurtenant thereto, and all extensions, modifications and renewals of any of the foregoing.

“*Trade Secrets*” means all proprietary and/or confidential information of Seller (including ideas, formulas, compositions, know-how, research and development information, drawings, specifications, designs, plans, proposals, technical data, processes, techniques, databases, financial, marketing and business data, pricing and cost information, business and marketing plans, and past and present customer, advertiser, website visitor, and supplier lists and information) used or useful in the operation of the Station (other than as included in the Excluded Assets) that is not generally known.

“*Transfer Taxes*” means all excise, sales, use, value added, registration, stamp, recording, documentary, conveyancing, property, transfer, and similar Taxes, arising out of or in connection with the transactions effected pursuant to this Agreement.

Section 1.02 *Other Defined Terms.*

The following terms have the meanings defined for such terms in the Sections set forth below:

Adjustment Amount	Section 2.08(b)
Affiliation Agreement	Section 2.01(c)
Agreement	Preamble
Assumed Contracts	Section 2.01(c)
Assumed Liabilities	Section 2.03
Base Purchase Price	Section 2.06(a)
Buyer	Preamble
Buyer Indemnified Parties	Section 10.03(a)
Buyer Warranty Breach	Section 10.02(a)(i)
Closing	Section 2.07
Closing Date	Section 2.07
Core Representation	Section 10.01
Damaged Asset	Section 5.03

DTV	Section 3.12(e)
ERISA Affiliate	Section 2.04(f)
Escrow Agent	Section 2.06(b)
Escrow Deposit	Section 2.06(b)
Estimated Settlement Statement	Section 2.08(b)
Excluded Assets	Section 2.02
Excluded Contracts	Section 2.02(b)
Excluded Liabilities	Section 2.04
FCC	Recitals
FCC Application	Section 5.05(b)
Final Settlement Statement	Section 2.08(c)
Financial Statements	Section 3.09(a)
Indemnified Party	Section 10.04(a)
Indemnifying Party	Section 10.04(a)
Losses	Section 10.02(a)
Assumed Contract	Section 3.05(a)
Nonassignable Assets	Section 2.05
Notice of Disagreement	Section 2.08(d)
Permits	Section 2.01(g)
Purchased Assets	Section 2.01
Purchase Price	Section 2.06(a)
Seller	Preamble
Seller Indemnified Parties	Section 10.02(a)
Seller Warranty Breach	Section 10.03(a)(i)
Station	Recitals
Studio Lease Agreement	Section 8.03(e)
Termination Date	Section 9.01(b)(i)
Tower Lease Agreement	Section 5.08

Section 1.03 *Terms Generally*. (a) Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Disclosure Schedules) and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Disclosure Schedule references are to the Articles, Sections, paragraphs, Exhibits and Disclosure Schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import when used in this Agreement means “including, without limitation,” unless otherwise specified, and (d) the word “or” shall not be exclusive.

ARTICLE II PURCHASE AND SALE

Section 2.01 *Purchase and Sale*. Pursuant to the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller and Seller agrees to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Buyer at the Closing, free of all Liens other than Permitted Liens, all of Seller’s

right, title and interest in, to and under all assets, Contracts, and properties (tangible or intangible) used or held for use or useful in connection with the Business or the Station, but excluding the Excluded Assets as hereinafter defined (the “*Purchased Assets*” and each of them a “*Purchased Asset*”). The Purchased Assets include and are limited to all right, title and interest in, to and under, the following assets, properties, interests and rights held by or on behalf or for the benefit of Seller:

- (a) all Accounts Receivable;
- (b) the Equipment listed in Disclosure Schedule Section 2.01(b);
- (c) all of Seller’s rights under the Affiliation Agreement between Seller and ValueVision Media. Inc., dated as of March 12, 2007, as amended by the First Amendment to Agreement, dated as of June 30, 2008, the Second Amendment to Agreement, dated as of February 13, 2009 and the Third Amendment to Agreement, dated as of June 2, 2009, (collectively, the “Affiliation Agreement”) and all Contracts of Seller that are listed on Disclosure Schedule Section 2.01(c), (collectively, the “*Assumed Contracts*”); provided, however, that Assumed Contracts shall in no event include Excluded Contracts;
- (d) all prepaid expenses and deposits and ad valorem Taxes to the extent relating to the Business;
- (e) all of Seller’s rights, claims, credits, causes of action or rights of set-off against third parties relating to the Business, including unliquidated rights under manufacturers’ and vendors’ warranties, in each case only to the extent Buyer incurs Losses relating thereto;
- (f) all Intangible Property, including, without limitation, all Internet websites and related agreements, content and databases and domain name registrations relating to the Business as set forth on Disclosure Schedule Section 2.01(f), excluding any Internet website content related to Seller’s Station WQED, the call sign WQED and the stylized letter “Q” used by Seller to identify and promote its services related and unrelated to the Station;
- (g) all FCC Licenses and all transferable municipal, state and federal franchises, licenses, permits or other governmental authorizations relating to the operation of the Business, the Station or use of the Purchased Assets as listed on Disclosure Schedule Section 2.01(g) (the “*Permits*”) and all applications for any of the foregoing, together with any renewals, extensions, or modifications thereof and additions thereto;
- (h) all information and data, FCC logs and other compliance records, sales and business records, books of account, files, invoices, inventory records, general, financial, accounting and real property Tax records, and all engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present and former suppliers and lists of present and former customers, quality control records and manuals, blueprints, litigation and regulatory files, and all other books, documents and records, or in each case copies thereof, used, held for use, or useful, in connection with the Business;
- (i) all management and other systems (including portable, desktop and server computers, handheld devices (e.g., cell phones, smart phones, etc., including phone numbers

therefor) and other peripheral equipment), databases (including databases of past, present, and potential users and purchasers of Station-offered products, services, advertisements, sponsorships, other paid or bartered placements, websites, or any other media or events offered by the Station), software (including operating systems and all other software applications or code installed on or used or accessed by any of the hardware included within the Purchased Assets), computer disks, computer tapes and similar assets and all licenses and rights in relation thereto, in each case that are held by or on behalf or for the benefit of Seller for use in connection with the Business, the Station or the Purchased Assets, except, however, that any such items shall be excluded to the extent that they are used by WQED primarily in connection with its businesses other than the Business; and

- (j) all goodwill of the Business, the Station, and the Purchased Assets.

To the extent any Purchased Assets are owned, leased, used or held for use by an Affiliate of Seller, Seller shall cause such Affiliate to transfer all of such Affiliate's right, title and interest in such Purchased Assets to Seller prior to Closing.

Section 2.02 *Excluded Assets*. Buyer expressly understands and agrees that the following assets and properties of Seller (the "*Excluded Assets*") shall not be acquired by Buyer and are excluded from the Purchased Assets:

- (a) all of Seller's cash and cash equivalents on hand and in banks;
- (b) all Contracts that are not Assumed Contracts (collectively, the "*Excluded Contracts*");
- (c) all Real Property;
- (d) insurance policies relating to the Business, and all claims, credits, causes of action or rights, including rights to insurance proceeds, thereunder (except as otherwise provided herein);
- (e) all interest in and to refunds of Taxes attributable to all Pre-Closing Tax periods;
- (f) any cause of action or claim relating to any event or occurrence prior to the Effective Time (except as otherwise provided herein);
- (g) all (i) books, records, files and papers, whether in hard copy or computer format, relating to the preparation of this Agreement or the transactions contemplated hereby and (ii) minute books and corporate records of Seller;
- (h) all rights of Seller arising under this Agreement, the Ancillary Agreements or the transactions contemplated hereby and thereby;
- (i) any Purchased Asset sold or otherwise disposed of in accordance with Section 5.01;

(j) any assets of any Employee Plan sponsored by Seller including any amounts due to such Employee Plan from Seller; and

(k) any other assets set forth on Disclosure Schedule Section 2.02(k).

Section 2.03 *Assumed Liabilities*. Upon the terms and subject to the conditions of this Agreement, Buyer agrees, effective as of the Effective Time, to assume, pay and perform the following (the “*Assumed Liabilities*”):

(a) Seller’s obligations under the Assumed Contracts attributable to the period after the Closing; and

(b) Without duplication, Liabilities of Seller to pay money to the extent of the amount of any credit therefor received by Buyer pursuant to Section 2.08.

Section 2.04 *Excluded Liabilities*. Notwithstanding any provision in this Agreement, Buyer is assuming only the Assumed Liabilities and is not assuming any other Liability of Seller or any of its Affiliates of whatever nature, whether presently in existence or arising hereafter (such other Liabilities of Seller or any of its affiliates are hereinafter referred to as the “*Excluded Liabilities*”).

Section 2.05 *Assignment of Contracts and Rights*. Seller shall use its commercially reasonable efforts to obtain all consents and approvals, make all filings, and give all notices required to assign any Purchased Asset or any claim or right or any benefit arising thereunder or resulting therefrom if such assignment, without such consent or approval of, filing with, or notice to, a third Person would constitute a breach of, or violation under any agreement constituting or governing such Purchased Asset or in any way adversely affect the rights of Buyer or Seller thereunder (“*Nonassignable Assets*”), in each case, until such consent or approval, as applicable, is obtained. If any such consent or approval is not obtained prior to the Closing Date, Seller shall use its commercially reasonable efforts to obtain such consent or approval as soon as possible after the Closing Date, and, in addition, (i) Seller and Buyer will cooperate in a commercially reasonable arrangement under which Seller would obtain for Buyer the benefits and Buyer would be responsible for the obligations thereunder, in each case, attributable to the period after the Closing, in accordance with this Agreement and any agreement constituting or governing such Purchased Assets, including sub-contracting, sub-licensing, occupancy and/or use agreements or sub-leasing to Buyer and enforcement by Seller for the benefit of Buyer of any and all rights of Seller against each third party thereto, (ii) Seller will promptly pay to Buyer when received all monies received by Seller under any Purchased Asset or any claim, right or benefit arising thereunder and (iii) Buyer will promptly pay to Seller all monies due to third parties under any agreement constituting or governing any Purchased Asset in accordance with the terms of this Agreement. Notwithstanding the foregoing, neither Seller nor any of its Affiliates shall be required to pay consideration to any third party to obtain any consent or approval that it is not otherwise required to pay or incur in accordance with the terms of the applicable Purchased Assets (other than customary administrative fees and expenses).

Section 2.06 *Purchase Price*.

(a) In consideration for the sale of the Purchased Assets, upon the terms and subject to the conditions of this Agreement, Buyer shall, at the Closing, in addition to assuming the Assumed Liabilities, pay to Seller the sum of \$3,000,000 (the "*Base Purchase Price*"), as adjusted pursuant to Section 2.08 (the "*Purchase Price*"), by wire transfer of immediately available federal funds pursuant to wire instructions that Seller shall provide to Buyer at least three (3) days prior to the Closing Date.

(b) Simultaneously with the execution of this Agreement, Buyer has delivered to First National Bank located in Pittsburgh, Pennsylvania (the "*Escrow Agent*"), One Hundred Seventy-Five Thousand Dollars (\$175,000) to be held as an earnest money deposit ("*Escrow Deposit*") pursuant to an escrow agreement of even date herewith and the terms of this Agreement. The Escrow Deposit shall be paid to Seller at Closing and credited against the Purchase Price due at Closing to Seller or released to Buyer in accordance with Section 9.03(b) and Section 9.03(c) hereof.

Section 2.07 *Closing*. Subject to Section 9.01 hereof and satisfaction of the conditions to Closing set forth in Article VIII hereunder (or waiver of such conditions by the party entitled to the benefit thereof), the consummation of the sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities hereunder (the "*Closing*") shall take place at 10:00 a.m. Washington, DC time (by electronic exchange of the documents to be delivered at the Closing) on a date specified by Buyer in a written notice to Seller, which date shall be no later than ten (10) Business Days after the day that the condition set forth in Sections 8.02(b) and 8.03(d) has been satisfied. Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree in writing. The date on which the Closing is to occur is referred to herein as the "*Closing Date*." At the Closing:

(a) Buyer shall deliver to Seller:

- (i) the officer's certificate specified in Section 8.02(a); and
- (ii) the Purchase Price in accordance with Section 2.06(a).

(b) Seller shall deliver to Buyer:

- (i) a certificate of good standing issued by the Secretary of State of Seller's jurisdiction of formation;
- (ii) the officer's certificate specified in Section 8.03(a);
- (iii) certified copies of resolutions duly adopted by the board of directors of Seller, authorizing the execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby;
- (iv) a duly executed bill of sale in form and substance reasonably acceptable to Buyer and Seller;

(v) a duly executed assignment of the FCC Licenses in form and substance reasonably acceptable to Buyer and Seller;

(vi) a duly executed assignment of the Intangible Property in form and substance reasonably acceptable to Buyer and Seller; and

(vii) such other instruments and certificates of transfer as Buyer may reasonably request in order for Seller to effectively convey, transfer, assign and deliver the Purchased Assets to Buyer; and

(c) Seller and Buyer shall enter into and deliver to each other:

(i) a duly executed assignment and assumption agreement in a form and substance reasonably acceptable to Buyer and Seller;

(ii) a duly executed Studio Lease Agreement;

(iii) a duly executed Tower Lease Agreement;

(iv) such other documents as set forth in Section 8.02 and Section 8.03.

Section 2.08 *General Proration*. The Base Purchase Price shall be increased or decreased as set forth herein.

(a) All prepaid and deferred revenues and all expenses attributable to the Business for the period prior to the Effective Time, including, without limitation, all ad valorem and other property Taxes (except for Taxes arising from the transfer of the Purchased Assets hereunder), FCC regulatory fees, business and license fees, utility charges, copyright or other fees (including program license payments), sales advertising service charges, music license fees, deferred revenue and prepayment, sales commissions, utility expenses, liabilities, obligations and expenses under the Assumed Contracts, rents, reimbursable expenses and all other expenses and obligations, and similar prepaid and deferred items, shall be prorated between Seller and Buyer in accordance with GAAP and the general principle that Seller shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Business for the period prior to the Effective Time, and Buyer shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Business on and after the Effective Time. Seller shall receive a credit for all of the Station's deposits and prepaid expenses, the benefit of which is transferred to Buyer at Closing. Such proration shall not include any revenues and expenses attributable to the Excluded Assets or the Excluded Liabilities, and Seller shall be entitled to all revenue and obligated to pay all costs, expenses, Liabilities attributable to the Excluded Assets and the Excluded Liabilities.

(b) No later than three (3) Business Days prior to the scheduled Closing Date, Seller shall provide Buyer with a statement setting forth a reasonably detailed computation of Seller's reasonable and good faith estimate of the Adjustment Amount (defined below) as of the Effective Time together with all information reasonably necessary to support the calculation required in this Section 2.08 (the "*Estimated Settlement Statement*"). As used herein, the "*Adjustment Amount*" means the net amount by which the Base Purchase Price is to be increased

or decreased in accordance with this Section 2.08. If the Adjustment Amount reflected on the Estimated Settlement Statement is a credit to Buyer, then the Base Purchase Price payable at Closing shall be reduced by the amount of such Adjustment Amount, and if the Adjustment Amount reflected on the Estimated Settlement Statement is a charge to Buyer, then the Purchase Price payable at Closing shall be increased by the amount of such Adjustment Amount.

(c) No later than 90 days after the Closing, Buyer shall provide Seller with a statement setting forth a reasonably detailed computation of Buyer's reasonable and good faith estimate of the Adjustment Amount as of the Effective Time (the "*Final Settlement Statement*") together with supporting documentation reasonably necessary to support Buyer's computation of the Adjustment Amount as of the Effective Time.

(d) If the Seller disagrees with any amount set forth in the Final Settlement Statement, the Seller shall notify the Buyer of such disagreement in writing no later than 30 days after its receipt of the Final Settlement Statement, which notice shall set forth in reasonable detail the particulars of such disagreement (the "*Notice of Disagreement*"). In the event that the Seller does not provide such Notice of Disagreement to the Buyer within such 30 day period, the Seller shall be deemed to have accepted the determination of the Adjustment Amount in the Final Settlement Statement, which shall be final and binding for all purposes hereunder. In the event that the Seller does deliver a Notice of Disagreement within such 30 day period, the Seller and the Buyer shall negotiate in good faith for a period of 30 days (or such longer period as they may mutually agree) to resolve any disagreements with respect the amounts set forth in the Notice of Disagreement. The agreement of the Buyer and Seller with respect to the Adjustment Amount pursuant to the preceding sentence, if any, shall be final and binding for all purposes hereunder. If, at the end of such 30 day period, the Seller and the Buyer have not agreed on the Adjustment Amount, then the Seller and the Buyer (or either of them) may refer any such disagreements to the Accounting Firm to resolve any remaining disputes. The Accounting Firm shall be jointly retained by the Seller and the Buyer, each of which shall pay one-half of the fees and expenses of such firm. The Accounting Firm shall resolve such disagreements in accordance with this Agreement as promptly as practicable based upon the written submissions made by the Buyer and the Seller, consistent with the Final Settlement Statement (in the case of Buyer) and the Notice of Disagreement (in the case of Seller), respectively, but in any event, no later than 30 days after the date on which such matter is referred to the Accounting Firm. The determination of the Adjustment Amount by the Accounting Firm shall be final and binding for all purposes hereunder.

(e) No later than 10 Business Days after the determination of the Adjustment Amount becomes final and binding for all purposes hereunder pursuant to Section 2.08 (d), the Seller or the Buyer, as appropriate, shall make a payment to the other party, by wire transfer of immediately funds to the bank account of such other party notified by such other party to the paying party, in the amount necessary so that the Buyer or Seller receives the appropriate adjustment to the Base Purchase Price, taking into account the adjustment to the Base Purchase Price at the Closing pursuant to Section 2.08(b).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

Section 3.01 *Corporate Existence and Power.* Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. Seller is qualified to do business and is in good standing in each jurisdiction where such qualification is necessary. Seller has the requisite power and authority to own and operate the Purchased Assets and the Station as currently operated.

Section 3.02 *Corporate Authorization.*

(a) The execution and delivery of this Agreement and the Ancillary Agreements by Seller, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby are within Seller's corporate powers and have been duly authorized by all requisite corporate action on the part of Seller.

(b) This Agreement has been, and each Ancillary Agreement will be, duly executed and delivered by Seller. This Agreement (assuming due authorization, execution and delivery by Buyer) constitutes, and each Ancillary Agreement (assuming due authorization, execution and delivery by Buyer) will constitute when executed and delivered by Seller, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

Section 3.03 *Governmental Authorization.* The execution, delivery and performance by Seller of this Agreement and each Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority set forth in Disclosure Schedule Section 3.03.

Section 3.04 *Noncontravention.* Except as disclosed in Disclosure Schedule Section 3.04, the execution, delivery and performance of this Agreement and each Ancillary Agreement by Seller and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Seller; (b) assuming compliance with the matters referred to in Section 3.03, conflict with or violate any Law or Governmental Order applicable to Seller, the Business, the Station or any of the Purchased Assets; (c) require any consent or other action by or notification to, or filing with, any Person under, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, give to any Person any rights of termination, amendment, acceleration, cancellation of any right or obligation of Seller under, or result in the loss of any benefit or creation of any obligation or liability under, any provision of any of the Assumed Contracts or any other agreement to which the Seller is a party; or (d) result in the creation or imposition of any Lien on any of the Purchased Assets, except for Permitted Liens.

Section 3.05 *Contracts.* With respect to each of the Assumed Contracts:

(a) No material default (or event, which with the lapse of time or giving of a notice or both would constitute a default) on the part of Seller and, to the Knowledge of Seller, any other party thereto, exists under any of the Assumed Contracts, and Seller has not received any written notice thereof or that any party to any of the Assumed Contracts intends to cancel, terminate or materially adversely modify or amend any such Assumed Contract.

(b) Each Assumed Contract is in full force and effect and constitutes the legal and binding obligation of, and is legally enforceable against, Seller in accordance with its terms, and to the Knowledge of Seller, constitutes the legal and binding obligation of, and is legally enforceable against, each of the other parties thereto.

(c) Seller has previously made available to Buyer prior to the date of this Agreement true and complete copies of all written Assumed Contracts (and written summaries of all oral Assumed Contracts), including all amendments, modifications and supplements thereto, and any assignments thereof.

Section 3.06 *Intangible Property.*

(a) All material and registered (or pending application to register) Intangible Property, including all Copyrights, Domain Names, Patents and Trademarks, are described, listed or set forth on Disclosure Schedule Section 3.06(a).

(b) Except as set forth on Disclosure Schedule Section 3.06(b), (i) Seller has not received notice of any material claims, demands or proceedings pending or threatened by any third party challenging the use of any of the Intangible Property or (ii) the operation of the Business or the Station including, without limitation, the use of any of the Intangible Property, does not conflict with, infringe or otherwise violate the rights of any third parties, including any right of privacy or publicity, and is not libelous, slanderous or defamatory, and no claim is pending or threatened with respect to (and Seller has not received any written notice alleging) any infringement, violation or conflict resulting therefrom.

(c) The Purchased Assets include all material Intangible Property used in the operation of the Station, except that Buyer shall apply to the FCC for authority to change the Station call sign effective upon Closing.

(d) Seller has not received any written notice that any of the Intangible Property is the subject of an outstanding judicial or administrative finding, opinion or office action materially restricting the use thereof or has been adjudged invalid, unenforceable or unregistrable in whole or in part.

(e) Seller owns all right, title and interest in, or has sufficient rights to sell, assign, transfer and convey to Buyer, the Intangible Property and has the right to use the Intangible Property in connection with the operation of the Station as presently used. To the extent disclosed on Disclosure Schedule Section 3.06(a), the registered Intangible Property has been duly registered with, filed in or issued by, as the case may be, the United States Patent and Trademark Office, the United States Copyright Office or other filing offices, domestic or foreign, and any Domain Name registrar, to the extent necessary to maintain the validity or enforceability thereof under any applicable Law (including, for the purposes of this Section 3.06(e) only, any

and all policies maintained by applicable Domain Name registrars). Seller has taken all actions necessary to maintain and protect the Intangible Property under any applicable Law (including, for the purposes of this Section 3.06(e) only, any and all policies maintained by applicable domain name registrars).

(f) To the Knowledge of Seller, none of the Intangible Property is being infringed, violated or misappropriated by any Person, nor is any such Intangible Property being used or available for use by or licensed to any Person.

Section 3.07 *Title to Purchased Assets*. Seller has good and valid title to all of the Purchased Assets which it owns or purports to own and a valid and enforceable license or lease to use all the Purchased Assets it licenses and leases or purports to license or lease, in each case, free and clear of all Liens, except for Permitted Liens.

Section 3.08 *Financial Information*.

(a) True and complete copies of the statements of income and statements of cash flows for each of the years ending as of September 30, 2008, 2009 and 2010 for the Station, are attached to Disclosure Schedule Section 3.08(a) (the "*Financial Statements*").

(b) The Financial Statements (i) were derived from the books and records of Seller, which books and records are correct and complete and represent actual, bona fide transactions; (ii) were prepared in accordance with the established accounting policies of Seller, were kept on the accrual basis of accounting and are reconcilable in all material respects to the books and records of Seller, provided, however, that they have not been prepared in accordance with GAAP; and (iii) fairly present in all material respects the financial condition of the Station as of the dates indicated and the results of its operations and cash flows for the periods then ended.

Section 3.09 *Absence of Certain Changes or Events*.

(a) Except as disclosed in Disclosure Schedule Section 3.09(a), since December 31, 2009 through the date of this Agreement, Seller has operated the Station in the ordinary course of business consistent with past practices.

(b) Since December 31, 2009, except as set forth in Disclosure Schedule Section 3.09(b) or as permitted by this Agreement, there has not been in connection with or related to the Business or the Station, any:

(i) Material Adverse Effect;

(ii) damage, destruction or loss, whether or not covered by insurance, with respect to the property and assets of the Station having a replacement cost of more than \$10,000 individually or in the aggregate;

(iii) transaction or commitment made, or contract or agreement entered into, by Seller relating to, or which would be included in, the Purchased Assets (including the acquisition or disposition of any assets) or any relinquishment by

Seller of any contract or other right, in either case, other than transactions and commitments in the ordinary course of business consistent with past practices and those permitted by this Agreement;

(iv) incurrence, assumption or guarantee by Seller of any Indebtedness with respect to the Business in each case that may bind or obligate the Business, the Station, Buyer or any of its Affiliates in any way as a result of the consummation of the transactions contemplated hereby;

(v) material change in the programming policies of the Station;

(vi) creation or other incurrence by Seller of any Lien on any Purchased Asset, other than Permitted Liens;

(vii) change in any method of accounting or accounting practice by Seller with respect to the Station except for any such change required by reason of a concurrent change in GAAP; or

(viii) agreement or commitment to do anything set forth in this Section 3.9.

Section 3.10 *Absence of Litigation.* Except as set forth on Disclosure Schedule Section 3.10, there is no Action pending or, to the Knowledge of Seller, threatened against Seller with respect to the Business, including, without limitation, any Action that seeks to restrain, enjoin or otherwise prevent the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements. Seller is not subject to or bound by any Governmental Order that adversely affects or would adversely affect the Business, other than those affecting the broadcast television industry generally.

Section 3.11 *Compliance with Laws.* Seller has materially complied, and is in material compliance, with all Laws and Governmental Orders of any Governmental Authority that are applicable to the ownership and operation of the Business, and to the Knowledge of Seller, Seller is not under investigation with respect to and has not been threatened in writing to be charged with any violation of any Law or Governmental Order relating to the Business.

Section 3.12 *FCC Matters; Qualifications.*

(a) Disclosure Schedule Section 3.12(a)(1) contains a true and complete list of the FCC Licenses, including the expiration date of each such FCC License. Seller has made available to Buyer true and complete copies of the FCC Licenses, including any and all amendments and modifications thereto. The FCC Licenses are validly held by Seller and are in full force and effect. The FCC Licenses have been issued for the full terms customarily issued for a broadcast television station in the state in which the Station's community of license is located, and the FCC Licenses are not subject to any condition except for those conditions appearing on the face of the FCC Licenses and conditions applicable to broadcast television licenses generally or otherwise disclosed in Disclosure Schedule Section 3.12(a)(2).

(b) Except as set forth on Disclosure Schedule Section 3.12(b), Seller has no applications pending before the FCC relating to the operation of the Station.

(c) Except as set forth on Disclosure Schedule Section 3.12(c)(1), (i) Seller has operated the Station in compliance with the Communications Act and the FCC Licenses and has not been, and is not, subject to the payment of FCC regulatory fees in respect thereof, and (ii) the Station is licensed by the FCC to operate, and is operating with the facilities authorized by the FCC Licenses and in compliance with the terms of those licenses, except in either case where such failure would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule Section 3.12(c)(2), to the Knowledge of Seller, (w) all antenna support structures used in the operation of the Station have been registered with the FCC, if registration is required, and comply with all other requirements of the FCC and the Federal Aviation Administration, (x) there are no applications, petitions, complaints, proceedings or other actions pending or threatened before the FCC relating to the Station, (y) there is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind, modify or refuse to renew any of the FCC Licenses, and (z) there is not now issued or outstanding, pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or complaint against Seller with respect to the Station that, in the case of any of clauses (w), (x), (y) or (z), would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, other than proceedings affecting broadcast television stations generally. Seller has timely filed or made all applications, reports, and other disclosures required by the FCC to be made in respect of the Business (and such applications, reports and other disclosures are accurate and complete), except where such failure to file, inaccuracy or incompleteness would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) Seller is qualified under the Communications Act to assign the FCC Licenses to Buyer. To the Knowledge of Seller, there is no fact or circumstance relating to the Station or Seller or any of its Affiliates that would cause the FCC to deny the FCC Application.

(e) The Station has been assigned a channel by the FCC for the provision of digital television (“DTV”) service. To the Knowledge of Seller, there are no pending petitions for rulemaking or notices of proposed rulemaking to reallocate the digital television allotment of any full power television stations or to reallocate the digital or analog television allotment of any other station in a manner that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The FCC Licenses listed on Disclosure Schedule Section 3.12(a)(1) include all authorizations necessary to operate the DTV facilities on the assigned channel as they are now being operated.

Section 3.13 *Equipment.*

(a) Except as otherwise set forth in Disclosure Schedule Section 3.13(a), all items of Equipment are in good operating condition and repair, ordinary wear and tear excepted, except that any spare parts not regularly used in the Business are in “as is” condition. Seller owns or leases all Equipment included in the Purchased Assets, free and clear of all Liens, except Permitted Liens.

(b) No Person other than Seller has any rights to use any of the Equipment, whether by lease, sublease, license or other instrument.

Section 3.14 *Brokers*. There is no broker, finder, investment banker or other intermediary, other than M.C. Alcamo & Co., Inc., that has been retained by or is authorized to act on behalf of Seller or any of its Affiliates and who is or might be entitled to any fee or commission from Buyer or any of its Affiliates in connection with the transactions contemplated by this Agreement or the Ancillary Agreements.

Section 3.15 *Taxes*. Seller has filed or caused to be filed with the appropriate Governmental Authorities in a timely manner all Tax Returns required to be filed in respect of the Business and the Purchased Assets, and all such Tax Returns are correct and complete in all material respects. Seller has paid all Taxes which have become due in respect of the Business. Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party in respect of the Business or the Purchased Assets. None of the Tax Returns filed by or on behalf of Seller with respect to the Business is currently being audited by any Governmental Authority, and there are no other examinations, requests for information or other administrative or judicial proceedings pending with respect to Taxes of Seller in respect of the Business. Neither the IRS nor any other Governmental Authority has asserted any deficiency or claim for additional Taxes against, or any adjustment of Taxes relating to, Seller in respect of the Business. There are no Liens for Taxes on any of the Purchased Assets other than Permitted Liens. Seller is an entity exempt from income taxation pursuant to Section 501(c)(3) of the Code.

Section 3.16 *Insurance*. Seller maintains insurance policies and other comparable arrangements with respect to the Station and the Purchased Assets consistent with industry standards for owners and operators of broadcast television stations. Seller has not received written notice of cancellation or non-renewal of any such insurance policies or notice or any requirements for Seller to change or improve its operations in order to maintain its existing insurance policies.

Section 3.17 *Sufficiency of Assets*. Except for the Excluded Assets, the Purchased Assets, Tower Lease Agreement, and Studio Lease, collectively constitute all of the assets and rights necessary to conduct the Business of the Station as conducted as of the date of this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.01 *Existence and Power*. Buyer is a corporation duly formed, validly existing and in good standing under the Laws of the State of Florida and has all corporate powers required to carry on its business as now conducted.

Section 4.02 *Authorization*.

(a) The execution and delivery of this Agreement and the Ancillary Agreements by Buyer, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby are within Buyer's corporate powers and have been duly authorized by all requisite corporate action on the part of Buyer.

(b) This Agreement has been, and each Ancillary Agreement will be, duly executed and delivered by Buyer. This Agreement (assuming due authorization, execution and delivery by Seller) constitutes, and each Ancillary Agreement to which Buyer will be a party (assuming due authorization, execution and delivery by the other parties thereto) will constitute when executed and delivered by Buyer, the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting or relating to enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is considered in a proceeding at law or in equity).

Section 4.03 *Governmental Authorization.* The execution, delivery and performance by Buyer of this Agreement and each Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby by Buyer require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) the FCC and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain would not have a material adverse effect on Buyer's ability to perform its obligations under this Agreement or the Ancillary Agreements.

Section 4.04 *Noncontravention.* The execution, delivery and performance of this Agreement by Buyer and each Ancillary Agreement to which Buyer will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the organizational documents of Buyer, (b) assuming compliance with the matters referred to in Section 4.03, conflict with or violate any Law or Governmental Order applicable to Buyer, (c) require any consent or other action by or notification to any Person under, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Buyer or to a loss of any benefit relating to the Station to which Buyer is entitled under, any provision of any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Buyer is a party or by which any of Buyer's assets is bound, which, violations, consents, actions, defaults, rights or losses, individually or in the aggregate, would not reasonably be expected to have, a material adverse effect on Buyer or on Buyer's ability to perform its obligations under this Agreement or the Ancillary Agreements.

Section 4.05 *Absence of Litigation.* As of the date hereof, there are no Actions pending against or, to Buyer's knowledge, threatened against Buyer before any Governmental Authority that in any manner challenge or seek to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement.

Section 4.06 *FCC Qualifications.* Buyer is legally, financially and otherwise qualified under the Communications Act (as in effect on the date hereof) to acquire the FCC

Licenses and own and operate the Station. There are no facts known to Buyer that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station, and no waiver of the Communications Act is necessary for the FCC Consent to be obtained.

Section 4.07 *Brokers*. There is no broker, finder, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Buyer or any of its Affiliates who is, or that might be entitled to, any fee or commission from either Seller or any of its Affiliates upon consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

ARTICLE V COVENANTS

Section 5.01 *Operations Pending Closing*. Except as otherwise set forth in this Agreement or with the prior written consent of Buyer (which consent, notwithstanding Section 11.02 hereto, may be requested and given by e-mail or fax), from and after the date of this Agreement until the Closing, Seller shall:

(a) operate the Station in the ordinary course of business consistent with past practices and use commercially reasonable efforts to preserve substantially intact the relationships of the Station with its customers, employees, suppliers, advertisers, networks, licensors, licensees, distributors and others with whom the Station deals;

(b) operate the Station in compliance with all applicable Laws, including the Communications Act, the FCC Licenses, and all applicable Permits;

(c) not cause or permit, or agree or commit to cause or permit, by act or failure to act, any of the FCC Licenses to expire or to be revoked, suspended or adversely modified, or take or fail to take any action that would cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses;

(d) not materially amend, materially modify, terminate or waive any material rights under any FCC Licenses or any other material Permits except as required by Law;

(e) maintain and not sell, lease, license, encumber or otherwise dispose of any of the Purchased Assets except (i) pursuant to Contracts or commitments disclosed in the Disclosure Schedules or (ii) obsolete assets in the ordinary course of business consistent with past practices for which suitable replacement assets have been acquired;

(f) not incur, assume or guarantee any Indebtedness with respect to the Business or the Station in each case that may bind or obligate the Business, Buyer or any of its Affiliates in any way upon, after or as a result of the consummation of the transactions contemplated hereby;

(g) not grant, incur or permit to exist a Lien on any of the Purchased Assets, other than Permitted Liens;

- (h) preserve the goodwill and business of the Business;
- (i) maintain the books of account and records of the Station in the usual, regular and ordinary manner, consistent with past practice;
- (j) maintain the Equipment in good operating condition and repair (subject to normal wear and tear);
- (k) maintain in effect until the Closing existing property damage, liability and other insurance with respect to the Purchased Assets and the Business as in effect on the date hereof;
- (l) not terminate (other than at the expiration of its term), modify or amend in any material respect, or waive any material provision of, any Assumed Contract;
- (m) not waive, release, assign, settle, or compromise any material rights, claims or litigation; and
- (n) not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses.

Section 5.02 *Access to Information*. From the date hereof until the Closing Date, upon reasonable notice, Seller shall (i) give Buyer, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the personnel, offices, properties, books and records of the Station, (ii) furnish to Buyer, its counsel, financial advisors, auditors, appraisers and other authorized representatives such financial and operating data and other information relating to the Station as such Persons may reasonably request and (iii) instruct the employees, counsel and financial advisors of Seller to cooperate with Buyer in its investigation of the Station. Any investigation pursuant to this Section 5.02 shall be conducted in such manner as not to unreasonably interfere with the conduct of the Business or any of the businesses or operations of Seller or any of its Affiliates.

Section 5.03 *Risk of Loss*. Seller shall bear the risk of casualty loss or damage to any of the Purchased Assets prior to the Closing and the Buyer shall bear such risk after the Closing. Notwithstanding anything to the contrary contained herein, in the event of any casualty loss or damage to the Purchased Assets prior to the Closing, Seller shall be responsible for repairing or replacing (as appropriate under the circumstances) any lost or damaged Purchased Asset (the "*Damaged Asset*") unless such Damaged Asset was obsolete and unnecessary for the continued operation of the Station consistent with Seller's past practice and the FCC Licenses. If Seller is unable to repair or replace a Damaged Asset by the Closing Date, as applicable, without limiting any other rights or remedies of Buyer hereunder, Seller shall reimburse Buyer upon demand for all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the Damaged Asset after the Closing Date. Notwithstanding the foregoing, if Seller suffers an insured casualty loss greater than \$10,000 prior to closing, it shall have the option of delaying closing for up to sixty (60) days in order to collect the insurance proceeds.

Section 5.04 *Removal of Liens.* Without limiting any of Seller's representations and warranties contained herein, Seller shall remove all Liens, other than Permitted Liens, affecting the Purchased Assets prior to Closing.

Section 5.05 *Commercially Reasonable Efforts; Further Assurances.*

(a) Subject to the terms and conditions of this Agreement, Buyer and Seller will each use their commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary or desirable under applicable Law or otherwise to consummate the transactions contemplated by this Agreement.

(b) Buyer and Seller each shall prepare and file with the FCC as soon as practicable but in no event later than five (5) Business Days after the execution of this Agreement, its portion of the requisite application (the "*FCC Application*") and other necessary instruments or documents requesting the FCC Consent and thereupon prosecute such application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the FCC Consent; provided, however, except as provided in the following sentence, neither Buyer nor Seller shall be required to pay consideration to any third party to obtain the FCC Consent. Buyer shall pay one-half (1/2) and Seller shall pay one-half (1/2) of the FCC filing fees relating to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it or relating to the FCC Application, and shall furnish all information required by the FCC.

Section 5.06 *Certain Filings; Further Actions.* Seller and Buyer shall cooperate with one another (a) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any Assumed Contracts, in connection with the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing, Buyer and Seller shall use commercially reasonable efforts to do all things necessary or appropriate to obtain all necessary consents, approvals, authorizations, waivers, designations, qualifications and Governmental Orders and to make all necessary filings, declarations, registrations, and notifications from third parties in order to consummate the transactions contemplated by this Agreement and the Ancillary Agreements, including without limitation, all of the consents identified in Disclosure Schedule Section 3.04, and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers; provided, however, that neither Seller nor Buyer shall be required to pay consideration to obtain any such consent, approval or waiver or agree to any modification, change, amendment, modification or condition in order to obtain any such consent that would have a material adverse effect on the Assumed Contract, License or Governmental Order to which such consent, approval or waiver relates.

Section 5.07 *Control Prior to Closing.* The parties acknowledge and agree that, for the purposes of the Communications Act, this Agreement and, without limitation, the covenants in Article V, are not intended to and shall not be construed to transfer control of the Station or to give Buyer any right to, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the programming, operations, or any other matter relating to the

Station for purposes of the Communications Laws prior to the Closing Date, and Seller shall have complete control and supervision of the programming, operations, policies and all other matters relating to the Station up to the time of the Closing.

Section 5.08 *Tower Lease Agreement*. Seller and Buyer shall enter into a lease agreement in the form of Exhibit 5.08 attached hereto (the “*Tower Lease Agreement*”) at Closing, pursuant to which Buyer shall lease tower and transmitter building space from Seller subject to the terms and condition set forth therein.

Section 5.09 *Studio Lease Agreement*. Buyer and Seller shall enter into a lease agreement for the Station’s primary studio facility and for use of and access to certain master control facilities in the form of Exhibit 5.09 attached hereto (“*Studio Lease Agreement*”) at Closing.

Section 5.10 *Public Announcements*. No party shall issue any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby without the prior consent of the other party, including any press releases or public statements the making of which may be required by applicable Law or any listing agreement with any national securities exchange.

Section 5.11 *No Shop*. From the date hereof until the earlier of Closing or the date of the termination of the Agreement pursuant to Section 9.01, Seller shall not, and shall cause its Affiliates not to, and shall not permit any of their respective Representatives to, directly or indirectly, do any of the following:

(a) discuss, negotiate, undertake, authorize, recommend, propose or enter into any transaction involving (i) any acquisition, purchase, license or other disposition of the Business, the Station, the Purchased Assets or any material part thereof; or (ii) any other transaction the consummation of which would, or could reasonably be expected to prevent or materially delay the acquisition of the Purchased Assets or the consummation of the transactions contemplated by this Agreement (collectively, an “*Acquisition Transaction*”);

(b) facilitate, encourage, solicit, initiate, entertain or in any way engage in discussions, negotiations or submissions of proposals or offers in respect of an Acquisition Transaction (other than the transactions contemplated by this Agreement);

(c) furnish or cause to be furnished to any Person (other than Buyer or its representatives) any information concerning Seller or the Station in connection with an Acquisition Transaction; or

(d) otherwise cooperate in any way with, or assist or participate in, facilitate, entertain, or encourage any effort or attempt by any Person (other than Buyer) to do or seek any of the foregoing.

Section 5.12 *Notices of Certain Events*. Seller and Buyer shall each promptly notify the other of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(c) in the case of Seller, any Action commenced or, to the Knowledge of Seller, threatened against, relating to or involving or otherwise affecting the Station that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.10 or that relates to the consummation of the transactions contemplated by this Agreement; and

(d) in the case of Buyer, any Action commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Buyer that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.05 or that relates to the consummation of the transactions contemplated by this Agreement.

Section 5.13 *Transition Services Agreement*. During the six (6) month period following the Closing (the “Initial Term”), Seller will provide to, and perform on behalf of, Buyer the services of the types and in no more than the quantities described in Exhibit 5.13 hereto as specified by Buyer from time to time (the “Services”) for a monthly fee of \$8,400, to be paid by the last day of each thirty (30) day period during the Initial Term. After the Initial Term, Seller will provide to, and perform on behalf of, Buyer the services described in Exhibit 5.13 hereto as specified by Buyer (the “Subsequent Services”) for such period of time and for such fees as Buyer and Seller shall reasonably agree (the Initial Term and the term during which Subsequent Services are rendered shall constitute the “Term”). In addition, Buyer may at any time during the Term request that Seller provide and perform additional services as Buyer may reasonably require in connection with the Purchased Assets that are of a similar nature as the Services provided pursuant hereto, and Seller will reasonably accommodate any such request, on such terms as may be reasonably agreed upon by Buyer and Seller, provided that Seller has the personnel and resources available to perform such additional services. Seller is attaching hereto as part of Exhibit 5.13 for informational purposes its current rate card for services, although it reserves the right to adjust its rates from time to time. During the Term and for a period of two years thereafter ION shall not, and shall cause its Affiliates not to, solicit for employment or hire any person who has worked for WQED during the Term.

ARTICLE VI EMPLOYEE MATTERS

Section 6.01 *Employment*. Seller shall terminate the employment of all Station Employees prior to the Effective Time. Seller will retain and Buyer will not assume any liability or obligation of the Seller to or in connection with any current or former employee of the Seller or any current or former independent contractor providing personal services to the Seller, and

Seller shall cause such liabilities and obligations to be discharged and satisfied in full. Without limiting the generality of the foregoing, the Seller will remain solely responsible for and shall indemnify and hold Buyer harmless from and against any obligations and liabilities, including those pursuant to the Code, ERISA, and any and all federal, state, and local discrimination Laws, in respect of all current and former employees and independent contractors of the Seller, relating to or arising in connection with, during the course of, or as a result of (i) the employment or the actual or constructive termination of employment of any Station Employee by the Seller (including in connection with the consummation of the transactions contemplated by this Agreement); (ii) the rendering of service to the Seller by or the actual or constructive termination of any Contract with any independent contractor providing personal services to the Seller, (including a termination in connection with the consummation of the transactions contemplated by this Agreement); (iii) the participation in or accrual of benefits or compensation under, or the failure to participate in or to accrue compensation or benefits under, any Employee Plan; and (iv) accrued but unpaid salaries, wages, compensation, bonuses, incentive compensation, disability, workers' compensation, vacation or sick pay, severance benefits or other compensation or payroll items (including deferred compensation).

ARTICLE VII TAX MATTERS

Section 7.01 *Tax Returns*. Seller shall be liable for and shall prepare and properly file on a timely basis true, complete and accurate Tax Returns and other documentation for any and all Taxes incurred with respect to the Purchased Assets and the Business for any Pre-Closing Tax Period. Buyer shall be liable for and shall prepare and properly file on a timely basis true, complete and accurate Tax Returns and other documentation for any and all Taxes incurred with respect to the Purchased Assets and the Business for any Post-Closing Tax Period.

Section 7.02 *Transfer Taxes*. Notwithstanding the provisions of Section 7.01, Seller and Buyer shall each pay one-half of all Transfer Taxes. Buyer and Seller shall cooperate in the preparation, execution and filing of all Transfer Tax Returns and shall cooperate to seek and to secure any available exemptions from such Transfer Taxes.

Section 7.03 *Allocation of Purchase Price*. Seller and Buyer shall use good faith efforts to agree to an allocation of the aggregate purchase consideration among the Purchased Assets in a manner consistent with Section 1060 of the Code and the United States Treasury Regulations promulgated thereunder within sixty (60) days after the Closing Date and, if Seller and Buyer reach such agreement, then Seller and Buyer agree to file all income Tax Returns (including IRS Form 8594 or any successor form) in accordance with such allocation and agree not to take any position before any taxing authority that is inconsistent with such allocation. If Seller and Buyer shall not have agreed on such allocation by the sixtieth (60th) day following the Closing Date, then Seller and Buyer shall have no further obligations pursuant to this Section 7.03, and each of Seller and Buyer shall make its own determination of such allocation for financial and Tax reporting purposes.

Section 7.04 *Bulk Sales*. To the extent applicable, at or prior to Closing, Seller shall deliver to Buyer a Bulk Sales Clearance Certificate in compliance with Pennsylvania's bulk sales laws showing that all required Pennsylvania state Tax reports have been filed and all

required Pennsylvania state Taxes have been paid, in each case, to the extent relating to the Business or the Purchased Assets.

ARTICLE VIII CONDITIONS TO CLOSING

Section 8.01 *Conditions to Obligations of Buyer and Seller.* The obligations of Buyer and Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of the following condition:

(a) There shall be no provision of any applicable Law and no Governmental Order prohibiting the consummation of the Closing.

Section 8.02 *Conditions to Obligations of Seller.* The obligation of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following further conditions:

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects (i) as of the date of this Agreement and (ii) (except to the extent such representations and warranties speak only as of an earlier date, in which case such representations and warranties shall have been true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date. Seller shall have received a certificate dated as of the Closing Date from Buyer, executed by an authorized officer of Buyer, to the effect of the foregoing and stating that the conditions set forth in this Section 8.02(a) have been satisfied.

(b) The FCC Consent shall have been granted.

(c) Buyer shall have made, or stand ready at Closing to make, the deliveries contemplated in Section 2.07(a) and Section 2.07(c).

Section 8.03 *Conditions to Obligations of Buyer.* The obligations of Buyer to consummate the transactions contemplated by this Agreement, shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following further conditions:

(a) The representations and warranties of Seller made in this Agreement shall be true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, (i) as of the date of this Agreement and (ii) (except to the extent such representations and warranties speak only as of an earlier date, in which case such representations and warranties shall have been true and correct, disregarding all qualifiers and exceptions relating to materiality or Material Adverse Effect, as of such earlier date) as of the Closing Date as though made on and as of the Closing Date, except, in both cases, where the failures to be true and correct, individually or in the aggregate, have not resulted in and would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect. Seller shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller,

to the effect of the foregoing and stating that the conditions set forth in this Section 8.03(a) have been satisfied.

(b) Seller shall have made, or stand ready at Closing to make, the deliveries contemplated in Section 2.07(b), Section 2.07(c) and Section 7.04.

(c) The FCC Consent shall have been granted and have become a Final Order without the imposition of any condition, term or provision, other than commercially reasonable conditions, terms or provisions imposed by the FCC in the ordinary course that are applicable to similarly situated broadcast television stations generally.

(d) No event, change, circumstance or occurrence shall have occurred between the date of this Agreement and the Closing that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller, to the effect of the foregoing and that the condition set forth in this Section 8.03(e) has been satisfied.

ARTICLE IX TERMINATION

Section 9.01 *Termination*. This Agreement may be terminated at any time prior to the Closing as follows:

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

(b) either by Seller or by Buyer:

(i) if the Closing shall not have occurred on or before the date that is twelve (12) months after the date the FCC Application is filed with the FCC pursuant to Section 5.05(b) (the "*Termination Date*"); provided, however, that this Agreement may not be so terminated by Buyer or Seller, if Buyer (in the case of a proposed termination by Buyer) or Seller (in the case of a proposed termination by Seller), as the case may be, is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement, and provided, further that the Termination Date shall be extended to a date 60 days later than the date so determined if Seller has exercised its right pursuant to Section 5.03 to delay the closing to collect insurance proceeds.

(ii) if there shall be any Law that prohibits consummation of the transactions contemplated by this Agreement or if a Governmental Authority of competent jurisdiction shall have issued a final, nonappealable Government Order enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement; or

(iii) if the FCC denies the FCC Application and such denial has become a Final Order; provided, however, that this Agreement may not be so terminated by Buyer (in the case of a proposed termination by Buyer) or Seller (in

the case of a proposed termination by Seller), if Buyer (in the case of a proposed termination by Buyer) or Seller (in the case of a proposed termination by Seller), as the case may be, is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement and such default or breach is the cause of such denial.

(c) by Seller upon a breach of any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement such that the condition set forth in Section 8.02(a) would not be satisfied if the date of termination were the Closing Date for purposes thereof; provided, however, that this Agreement may not be so terminated by Seller if Seller is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement; or

(d) by Buyer upon a breach of any representation, warranty, covenant or agreement on the part of Seller set forth in this Agreement such that the condition set forth in Section 8.03(a) would not be satisfied if the date of termination were the Closing Date for purposes thereof; provided, however, that this Agreement may not be so terminated by Buyer if Buyer is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement.

Section 9.02 *Notice of Termination.* The party desiring to terminate this Agreement pursuant to Section 9.01 (other than pursuant to Section 9.01(a)) shall give written notice of such termination to the other party. If a party seeks to terminate this Agreement pursuant to Section 9.01(c) or Section 9.01(d), the terminating party shall, prior to exercising its right to terminate under such Section, provide the breaching or defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price or perform any other covenant or agreement to be performed at Closing, the breaching or defaulting party shall have twenty (20) days from receipt of such notice to cure such breach or default; provided, however, that if the breach or default can be cured, but is incapable of cure within such 20-day period, the cure period shall be extended as long as the defaulting party is diligently and in good faith attempting to effectuate a cure, and if such breach or default is so cured, Buyer or Seller shall not be entitled to terminate this Agreement pursuant to Section 9.01(c) or Section 9.01(d), as the case may be for the specific breach, as long as such breach remains cured. Nothing in this Section 9.02 shall be interpreted to extend the Termination Date.

Section 9.03 *Effect of Termination.*

(a) In the event of a valid termination of this Agreement pursuant to Section 9.01, this Agreement (other than Section 5.10, this Article IX, and Article XI, which shall remain in full force and effect) shall forthwith become null and void, and no party hereto (nor any of their respective Affiliates, directors, officers or employees) shall have any liability or further obligation, except as provided in Section 9.03(b) and Section 9.03(c) below.

(b) If this Agreement is terminated by Seller pursuant to (i) Section 9.01(b) and Buyer is in breach of any representation, warranty, covenant or agreement on the part of Buyer set forth in this Agreement, such that the condition set forth in Section 8.02(a) would not be satisfied if the date of termination were the Closing Date, or (ii) Section 9.01(c), then Seller

shall be entitled to the Escrow Deposit as liquidated damages. The parties understand and agree that the amount of liquidated damages represents Seller's and Buyer's reasonable estimate of actual damages and does not constitute a penalty. Notwithstanding any other provision of this Agreement to the contrary, if the provisions of this Section 9.03(b) apply, the payment of the Escrow Deposit pursuant to this Section 9.03(b) shall be Seller's sole and exclusive remedy for damages of any nature or kind that Seller may suffer as a result of Buyer's breach or default under, and termination of, this Agreement.

(c) If this Agreement is terminated, other than in circumstances where Section 9.03(b) applies, then the Escrow Deposit shall be returned to Buyer by the Escrow Agent, Buyer shall be entitled to pursue all legal and equitable remedies against the Seller, and nothing contained herein shall limit the liability of Seller for any breach or default of any representation, warranty or covenant set forth in this Agreement.

ARTICLE X SURVIVAL; INDEMNIFICATION

Section 10.01 *Survival*. The representations and warranties of the parties hereto contained in or made pursuant to this Agreement or in any certificate or other writing furnished pursuant hereto or in connection herewith shall survive in full force and effect for twelve (12) months after the Closing Date; provided, however, that the representations and warranties in Section 3.01 (Corporate Existence and Power), Section 3.02 (Corporate Authorization), Section 3.07 (Title to Purchased Assets), Section 3.13 (FCC Matters), Section 3.13 (Environmental Matters), Section 3.16 (Taxes), Section 4.01 (Existence and Power) and Section 4.02 (Authorization), shall survive in perpetuity (each of the representations and warranties identified in the proviso to this sentence is hereinafter referred to as a "*Core Representation*"). The covenants and agreements to be performed in full prior to Closing shall survive until twelve (12) months after the Closing Date and all other covenants and agreements shall survive the Closing until 90 days after such covenants and agreements are performed in full. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

Section 10.02 Indemnification by Buyer.

(a) Subject to Section 10.01, Buyer shall indemnify against and hold harmless Seller, its Affiliates and their respective employees, officers and directors (collectively, the "*Seller Indemnified Parties*") from, and agrees to promptly defend any Seller Indemnified Party from and reimburse any Seller Indemnified Party for, any and all losses, damages, costs, expenses, liabilities, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys' fees and expenses reasonably incurred) (collectively, "*Losses*"), which such Seller Indemnified Party may at any time suffer or incur, or become subject to, arising from, as a result of or in connection with:

(i) Buyer's breach of any of its representations or warranties (it being understood that for purposes of this Section 10.02(a), any qualification relating to "material," "materiality" or "Material Adverse Effect" contained in any such representations or warranties shall be disregarded) contained in this Agreement, any Ancillary Agreement or in any other certificate or document delivered pursuant hereto and thereto (each such breach, a "*Buyer Warranty Breach*");

(ii) any breach or nonfulfillment of any agreement or covenant of Buyer under the terms of this Agreement or any Ancillary Agreement; and

(iii) the Assumed Liabilities.

Section 10.03 *Indemnification by Seller.*

(a) Subject to Section 10.01, Seller shall indemnify against and hold harmless Buyer, its Affiliates and their respective employees, officers and directors (collectively, the "*Buyer Indemnified Parties*") from, and agrees to promptly defend any Buyer Indemnified Party from and reimburse any Buyer Indemnified Party for, any and all Losses which such Buyer Indemnified Party may at any time suffer or incur, or become subject to, arising from, as a result of or in connection with:

(i) Seller's breach of any of the representations or warranties (it being understood that for purposes of this Section 10.03(a), any qualification relating to "Material Adverse Effect" or materiality contained in any such representation or warranty shall be disregarded) contained in this Agreement, any Ancillary Agreement or in any other certificate or document delivered pursuant hereto and thereto (each such breach, a "*Seller Warranty Breach*");

(ii) any breach or nonfulfillment of any agreement or covenant of Seller under the terms of this Agreement or any Ancillary Agreement; and

(iii) the Excluded Liabilities.

Section 10.04 *Notification of Claims.*

(a) A party entitled to be indemnified pursuant to Section 10.02 or Section 10.03 (the "*Indemnified Party*") shall promptly notify the party liable for such indemnification (the "*Indemnifying Party*") in writing of any claim or demand that the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party that was entitled to receive such notice was materially damaged as a result of such failure. Subject to the Indemnifying Party's right to defend in good faith third party claims as hereinafter provided, the Indemnifying Party shall satisfy its obligations under this Article X within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.

(b) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 10.04(a), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party that the Indemnifying Party acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnified Party under Section 10.02 or Section 10.03, the Indemnifying Party shall have the right to employ counsel of its choice to defend any such claim or demand asserted against the Indemnified Party for so long as the Indemnifying Party shall continue in good faith to diligently defend against such action or claim. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense and the Indemnifying Party shall reasonably cooperate with the Indemnified Party in connection with such participation. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case five (5) Business Days before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party under Section 10.04(a) of its election to defend in good faith any such third party claim or demand. So long as the Indemnifying Party is defending in good faith any such claim or demand asserted by a third party against the Indemnified Party, the Indemnified Party shall not settle or compromise such claim or demand without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, delayed or conditioned, and the Indemnified Party shall make available to the Indemnifying Party or its agents all records and other material in the Indemnified Party's possession reasonably required by it for its use in contesting any third party claim or demand. If the Indemnifying Party assumes the defense of the third party claim, it shall have conclusively established its obligation to indemnify the Indemnified Party with respect to such third party claim. Whether or not the Indemnifying Party elects to defend any such claim or demand, the Indemnified Party shall have no obligation to do so. In the event: (i) the Indemnifying Party elects not to defend such claim or action; (ii) the Indemnifying Party elects to defend such claim or action but fails to diligently defend such claim or action in good faith; (iii) there is a reasonable probability that such claim may materially, adversely affect the Indemnified Party or its Affiliates other than as a result of money damages, (iv) a conflict of interest exists in respect of such claim; or (v) there are specific defenses available to the Indemnified Party that are different from or additional to those available to the Indemnifying Party and that could be adverse to the Indemnifying Party, the Indemnified Party shall have the right to conduct the defense thereof and to settle or compromise such claim or action without the consent of the Indemnifying Party, except that with respect to the settlement or compromise of such a claim, demand or action, the Indemnified Party shall not settle or compromise any such claim or demand or action without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, delayed or conditioned, unless the Indemnifying Party is given a full and completed release of any and all liability by all relevant parties relating thereto and has no obligation to pay any damages. The Indemnifying Party shall not settle or compromise any third party claim or action without the consent of the Indemnified Party; provided, however, if such settlement or compromise relates only to monetary amounts and provides for the full and completed release of any and all liability of the Indemnified Party, then the Indemnifying Party may settle such claim without the Indemnified Party's consent as long as the Indemnifying Party is responsible for the recoverable amount of such claim and the settlement or compromise of such claim does not contain an admission of wrongdoing on the part of the Indemnified Party and does not impose any obligations on the Indemnified Party.

Section 10.05 *Exclusive Remedies*. Without limiting the provisions of Section 11.13 hereof, Buyer and Seller acknowledge and agree that, if the Closing occurs, the indemnification provisions of this Article X shall be the sole and exclusive remedies of Buyer and Seller for any breach of the representations or warranties or nonperformance of any covenants and agreements of Buyer or Seller contained in this Agreement or any Ancillary Agreement (other than the Tower Lease Agreement and Studio Lease Agreement in respect of which the Buyer shall have all remedies available in law or at equity, for breach of contract or otherwise), provided, however, that nothing contained in this Agreement shall prevent Buyer from specifically enforcing any provision of this Agreement or relieve or limit the liability of either party from any liability or Losses arising out of or resulting from fraud in connection with the transactions contemplated in this Agreement or the Ancillary Agreements.

ARTICLE XI GENERAL PROVISIONS

Section 11.01 *Expenses*. Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, brokers, finders, investment bankers, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred. Seller shall be solely responsible for all fees and other charges of M.C. Alcamo & Co., Inc. with respect to the transactions contemplated by this Agreement.

Section 11.02 *Notices*. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission, if sent by facsimile, with confirmation of receipt by telephone from the person to whose attention the communication was directed, (c) on the date of delivery via a nationally recognized overnight courier or similar service or (d) on the date of delivery if sent by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 11.02):

If to Buyer:

ION Media Networks, Inc.
601 Clearwater Park Road
West Palm Beach, Florida 33401
Attention: Joseph Koker
Facsimile: (561) 659-4754

With a copy, which shall not constitute notice, to:

Dow Lohnes PLLC
1200 New Hampshire Avenue, N.W.
Suite 800

Washington, DC 20036
Attention: John Feore, Esq.
William S. Dudzinsky, Jr., Esq.
Facsimile: (202) 776-2222

If to Seller:

WQED Multimedia
4802 Fifth Avenue
Pittsburgh, PA 15213
Attention: Deborah L. Acklin, President & CEO
Facsimile: 412-622-3443

With a copy, which shall not constitute notice, to:

Schwartz, Woods & Miller
1233 20th Street, NW
Suite 610
The Lion Building
Washington, DC 20036-7322
Attention: Lawrence M. Miller, Esq.
Facsimile: (202) 833-2351

Section 11.03 *Headings*. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 11.04 *Severability*. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced in any jurisdiction, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and such invalidity, illegal or incapability of enforcement shall not be effective in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced in a particular jurisdiction, the parties hereto shall negotiate in good faith to modify this Agreement for purposes of such jurisdiction so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.05 *Entire Agreement*. This Agreement, the Confidentiality Agreement and the Ancillary Agreements constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Seller and Buyer with respect to the subject matter hereof and thereof, except as otherwise expressly provided herein.

Section 11.06 *Successors and Assigns*.

(a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights under this Agreement without the other party's prior written consent.

(b) Notwithstanding anything above to the contrary, Buyer may, without Seller's consent, assign any or all of its rights and obligations under this Agreement to an Affiliate; provided that such assignment does not hinder or delay the Closing, the Closing shall not be contingent upon or subject to the completion of any such assignment, such assignment does not relieve Buyer of any liability or obligation under this Agreement and such assignment does not cause Seller to incur any additional liabilities or costs.

Section 11.07 *No Third-Party Beneficiaries*. Except as expressly provided in Article X, this Agreement is for the sole benefit of the parties hereto and their successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.08 *Amendments and Waivers*. This Agreement may not be amended or modified except by an instrument in writing signed by Seller and Buyer. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 11.09 *Governing Law; Jurisdiction*. The construction and performance of this Agreement shall be governed by, and construed in accordance with, the law of the Commonwealth of Pennsylvania without regard to its principles of conflict of laws. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in Allegheny County, Pennsylvania, and each party hereto irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. Each party agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court.¹

Section 11.10 *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.11 *Counterparts*. This Agreement may be executed in counterparts, each of which when executed shall be deemed to be an original but both of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

¹ TO BE DISCUSSED.

Section 11.12 *No Presumption*. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

Section 11.13 *Specific Performance*. Notwithstanding anything to the contrary contained herein, Seller hereby acknowledges and agrees that money damages would not be a sufficient remedy for any breach of this Agreement by Seller, that Buyer would suffer irreparable harm as a result of any such breach, and that, in addition to all other remedies available under this Agreement or at law or in equity, Buyer shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach, without posting any bond, security or other undertaking. In the event of any action by Buyer to enforce this Agreement, Seller hereby waives the defense that there is an adequate remedy at law.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BUYER:

ION MEDIA OF SCRANTON, INC.

By: 

Name: Jeffrey J. Quinn

Title: Vice President and Treasurer

SELLER:

WQED MULTIMEDIA

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BUYER:

ION MEDIA OF SCRANTON, INC.

By: _____

Name: Jeffrey J. Quinn

Title: Vice President and Treasurer

SELLER:

WQED MULTIMEDIA

By: _____

Name: _____

Title: _____

**Deborah L. Acklin
President and
Chief Executive Officer**

SCHEDULE 2.01(g)

Purchased Assets – Permits

- 1) License Renewal Authorization: BRCT- 20070402AQA, Expiration 8/1/2015. See Attachment 1 hereto.
- 2) Digital Television Broadcast Station Construction Permit as reissued: BMPCDT – 20080620AAM. See Attachment 3 hereto.
- 3) Application for Digital Television Broadcast Station License: BLCDT- 20091127ABE, Timely filed and pending. See Attachment 4 hereto.

SCHEDULE 3.12(a)(1)

FCC Licenses

Call Sign/Location	Type	File No.	Expiration Date
WQEX(TV), Pittsburgh, Pennsylvania	Digital Full Power Television Station	BRCT-20070402AQA BLCDT-20091127ABE (pending)	8/1/2015
[Auxiliary licenses?]			
[Earth station licenses?]			

FCC Antenna Structure Registration Numbers:

Tower Registration No. 1022324.

SCHEDULE 3.12(a)(2)

FCC Matters; Qualifications

None.

SCHEDULE 3.12(b)

FCC Matters; Qualifications

1. Application for Digital Television Broadcast Station License: BLCDT-20091127ABE. See Attachment 4 to Schedule 2.01(g)).

SCHEDULE 3.12(c)(1)

FCC Matters; Qualifications

1. The Station is operating pursuant to program test authority from its digital construction permit (FCC File No. BMPCDT-20080620AAM). Seller timely filed an application for a license to cover its construction permit, and that application is pending (FCC File No. BLCDT-20091127ABE).