

ASSET PURCHASE AGREEMENT
BY AND BETWEEN
WSEE TELEVISION, INC.
AND
INITIAL BROADCASTING OF PENNSYLVANIA, LLC

Dated as of May 31, 2002

Table of Contents

	Page
1. Definitions.....	1
1.1 The following terms shall have the meanings set forth below:	1
1.2 Other Definitional Provisions.	5
2. Purchase and Sale of Assets; Assumption of Liabilities.....	6
2.1 Purchase and Sale of Assets.....	6
2.2 Excluded Assets	7
2.3 Non-Assignable Assets	8
2.4 Assumption of Liabilities by Buyer.....	8
2.5 Excluded Liabilities	8
3. Purchase Price; Payment; Working Capital Adjustment.	8
3.1 Purchase Price.....	9
3.2 Deposit.....	9
3.3 Payment.....	9
3.4 Working Capital Adjustment.....	9
3.5 Allocation of Purchase Price.....	11
4. FCC Consent.....	11
4.1 Filing of Applications	11
4.2 Publication of Notices, etc	11
5. Representations and Warranties of Seller.....	12
5.1 Organization and Standing.....	12
5.2 Authorization; Binding Obligation	12
5.3 Compliance with Laws and Other Instruments.....	12
5.4 FCC Licenses	13
5.5 Digital Television.....	13
5.6 Title to Assets	14
5.7 Real Property	14
5.8 Contracts and Agreements.....	14
5.9 Litigation.....	14
5.10 Employees; Employee Benefit Plans.....	15
5.11 Financial Statements	15
5.12 Absence of Changes.....	16
5.13 Intellectual Property.....	16
5.14 Taxes.....	16
5.15 Environmental Matters.....	16
5.16 Accounts Receivable.....	17
5.17 Title to and Condition of Real Property.....	17
5.18 Labor Matters.....	17
5.19 General Representation and Warranty	18

6.	Representations and Warranties of Buyer.....	18
6.1	Organization and Standing.....	18
6.2	Authorization; Binding Obligation	18
6.3	Absence of Conflicting Agreements.....	18
6.4	FCC Qualification.....	19
6.5	Litigation.....	19
7.	Other Agreements.	19
7.1	Access to Records	19
7.2	Phase I Environmental Study.....	19
7.3	Confidentiality	20
7.4	Employees.....	20
7.5	Certain Tax Matters	21
7.6	Retention of Records.....	22
7.7	Exclusive Dealing.....	22
7.8	Conduct of Business Prior to Closing.....	22
7.9	Satisfaction of Closing Conditions	24
7.10	Title Insurance, Survey and Environmental Report.....	24
7.11	Interruption in Broadcast Operations.....	24
8.	Conditions to Closing.	25
8.1	Conditions to Closing By Buyer	25
8.2	Conditions to Closing By Seller	25
8.3	Mutual Conditions to Closing.....	26
9.	Closing.....	26
9.1	Closing; Date of Closing.....	26
9.2	Deliveries by Seller.....	26
9.3	Deliveries by Buyer	27
10.	Termination; Effect of Termination.....	27
10.1	Termination.....	27
10.2	Effect of Termination.....	28
11.	Indemnification.....	28
11.1	Survival; Remedy for Breach.....	28
11.2	Indemnification by Seller.....	28
11.3	Indemnification by Buyer	28
11.4	Claims for Indemnification.....	28
11.5	Third Party Claims	29
11.6	Payment of Indemnity.....	30
11.7	Certain Limitations	30
11.8	Character of Indemnity Payments.....	30
12.	Further Assurances.....	30
13.	Broker	30

14.	Failure to Obtain Final Order.....	30
15.	Risk of Loss	31
16.	General.....	31
16.1	Public Announcements	31
16.2	Fees and Expenses	31
16.3	Benefit and Assignment.....	31
16.4	Notices	32
16.5	Entire Agreement; Amendment; Waiver	33
16.6	Headings	33
16.7	Choice of Law.....	33
16.8	Severability	33
16.9	Counterparts.....	33

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, is entered into as of May 30, 2002 by and between WSEE Television, Inc., a Delaware corporation (“Seller”), and Initial Broadcasting of Pennsylvania, LLC, a Delaware limited liability company (“Buyer”).

WHEREAS, Seller is engaged in the business (the “Business”) of operating the CBS-affiliated, UHF Television Station WSEE, Channel 35 in Erie, Pennsylvania (the “Station”); and

WHEREAS, Buyer desires to acquire from Seller, and Seller desires to sell, assign and transfer to Buyer, all of Seller’s right, title and interest in and to the Business and the Assets (as herein defined), on the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the premises and the representations, warranties, covenants and conditions set forth hereinafter, the parties hereby agree as follows:

1. Definitions

1.1 The following terms shall have the meanings set forth below:

- (a) Accounting Firm. The meaning set forth in Section 3.4(b).
- (b) Affiliate. With respect to any specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
- (c) Assets. The Assets described in Section 2.1. The Assets shall not include and shall be exclusive of any Excluded Assets.
- (d) Assignment Applications. The applications to be filed with the FCC requesting the FCC’s written consent to the assignment of the FCC Licenses from Seller to Buyer.
- (e) Assignment and Assumption Agreement. The meaning set forth in Section 9.2(b).
- (f) Assumed Liabilities. The liabilities described in Section 2.4. The assumed liabilities shall not include and shall be exclusive of the Excluded Liabilities.
- (g) Basic Purchase Price. The meaning set forth in Section 3.1.
- (h) Business Day. Any calendar day other than Saturday, Sunday and those holidays recognized by the Federal Reserve Bank of New York.
- (i) CBS Affiliation Agreement. The agreement between Seller and CBS Affiliate Relations, a unit of CBS Broadcasting, Inc., dated as of August 30, 1994, as amended.
- (j) Closing. The meaning set forth in Section 9.1.

(k) Closing Date. The meaning set forth in Section 9.1.

(l) Code. The Internal Revenue Code of 1986, as amended.

(m) Damages. The meaning set forth in Section 11.1.

(n) Deposit. The meaning set forth in Section 3.2(b).

(o) Effective Time. The close of business on the date of this Agreement.

(p) Encumbrances. Any mortgages (with respect to real property), pledges, liens, claims, security interests, conditional sales agreements, or other encumbrances or charges of any kind, nature or description; provided, however, that Encumbrances shall not include and shall be exclusive of the Permitted Encumbrances.

(q) Environmental Laws. All federal, state and local laws, rules and regulations, as well as orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder relating to pollution, protection of the environment or public health and safety.

(r) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(s) Escrow Agent. The meaning set forth in Section 3.2(a).

(t) Escrow Agreement. The meaning set forth in Section 3.2(a).

(u) Estimated Working Capital. The meaning set forth in Section 3.4(a).

(v) Estimated Working Capital Schedule. The meaning set forth in Section 3.4(a).

(w) Excluded Assets. The assets described in Section 2.2.

(x) Excluded Liabilities. The liabilities described in Section 2.5.

(y) FCC. The Federal Communications Commission, or any successor federal agency having similar regulatory jurisdiction over the Business.

(z) FCC Applications. All applications for modification, extension or renewal of the FCC Licenses, and any pending applications for any new licenses, permits, permissions and other authorizations pending on the Closing Date, including, but not limited to those listed on Schedule 5.4.

(aa) FCC Licenses. All of the licenses, permits, permissions and other authorizations issued to Seller for the operation of the Station by the FCC, including, but not limited to, those set forth on Schedule 5.4, and including, without limitation, those licenses, permits, permissions and other authorizations issued for the use of a digital frequency, the

construction of a digital television station and the operation of a digital television service by the Station, and the rights in and to the Station's call letters.

(bb)FCC Order. An order or action of the FCC granting its consent to the Assignment Applications.

(cc)Final Determination Date. The date on which the Final Working Capital Amount is determined in accordance with Section 3.4.

(dd)Final Order. An FCC Order which, by expiration of time, is no longer subject to judicial or administrative review or reconsideration.

(ee)Final Working Capital Amount. The meaning set forth in Section 3.4(c).

(ff) Financial Statements. The meaning set forth in Section 5.11.

(gg)Force Majeure. Any cause beyond the reasonable control of the affected party, including, but not limited to, natural catastrophe, flood, explosion, fire, riots or civil disturbance, sabotage, strikes or other labor difficulties, act of public enemy, act of terrorists, or changes in applicable laws, regulations or governmental orders that materially interfere with the affected party's ability to perform its obligations contemplated by this Agreement. Notwithstanding the foregoing, economic hardship of either party shall not constitute an event of Force Majeure.

(hh)GAAP. Generally accepted accounting principles in effect in the United States from time to time.

(ii) Governmental Authority. Any foreign, federal, state, local or other governmental authority, agency or regulatory body including, without limitation, any commission, court, tribunal or panel having jurisdiction over the matter at issue.

(jj) Governmental Permits. All franchises, approvals, authorizations, permits, licenses, registrations, qualifications, leases, variances and similar rights obtained from any Governmental Authority applicable to the Business and the Assets, including, without limitation, those set forth on the Schedule of Governmental Permits, other than the FCC Licenses.

(kk)Indemnified Party. The meaning set forth in Section 11.4

(ll) Indemnifying Party. The meaning set forth in Section 11.4

(mm)Indemnity. The meaning set forth in Section 11.6

(nn)Intellectual Property. All trademarks, trade names, service marks, service names, copyrights, domain names, call signs and patents of Seller, whether registered or unregistered, and any applications therefor, together with the goodwill connected with said

trademarks, trade names, service marks and service names, and all other intangible property rights of Seller used in or related to the Station.

(oo)Interim Financial Statements. The meaning set forth in Section 5.11.

(pp)Material Adverse Effect. An effect which is materially adverse to the business (as presently conducted), financial condition or results of operations of Seller, other than changes in general economic conditions or any change experienced generally by the over-the-air television broadcast industry.

(qq)Notice. The meaning set forth in Section 3.4(a).

(rr)Permitted Encumbrances. Shall include (i) liens for Taxes and other governmental charges and assessments which are not yet due and payable, or which are being contested in good faith; (ii) liens of carriers, warehousemen, mechanics and other like liens arising in the ordinary course of business; (iii) any judgment lien or attachment, unless the judgment or claim it secures is not fully covered by insurance and has not been discharged or execution thereof effectively stayed and bonded against pending appeal within 30 days of the entry or attachment thereof; (iv) easements, rights of way, servitudes or zoning or building restrictions and other non-monetary encumbrances on the Real Property which do not materially impair the use or value of the Real Property subject thereto or risk the loss or forfeiture of title thereto; (v) liens constituting banker's liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with any bank or other financial institution, whether arising by operation of law or pursuant to contract in the ordinary course of business; (vi) leases described in any Schedule to this Agreement or not required by the terms of this Agreement to be described in such Schedules; and (vii) other Encumbrances which do not, individually or in the aggregate, materially detract from the value of, or materially interfere with the present use of, the property subject thereto or affected thereby.

(ss)Person. An individual, a corporation, a limited liability company, a partnership, a limited liability partnership, a trust, an unincorporated association or a government or any agency or political subdivision thereof or therein.

(tt) Phase I Study. The meaning set forth in Section 7.2.

(uu)Purchase Price. The meaning set forth in Section 3.1.

(vv)Real Property. The real property of Seller, as described on the Schedule of Real Property and all buildings, structures, fixtures and improvements located thereon.

(ww)Real Property Leases. All real property leases in which Seller has any right, title or interest and pertaining to the ownership, operation and maintenance of the Business, including, without limitation, those which are set forth on the Schedule of Real Property Leases.

(xx)Required Consents. All franchises, licenses, authorizations, approvals and consents required for Seller under any Governmental Permit, Seller Contract or otherwise for the transfer of the Business, the Assets and the FCC Licenses to Buyer.

(yy)Seller Contracts. All contracts, leases (other than Real Property Leases) and agreements in which Seller has any right, title or interest and pertaining to the ownership, operation and maintenance of the Assets or the Business, including, without limitation, those which are set forth on the Schedule of Contracts, and excluding those contracts identified on the Schedule of Contracts as Excluded Contracts.

(zz)Station. The meaning set forth in Paragraph 1 of the recitals and its associated digital television facility.

(aaa)Tax. Any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code § 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, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

(bbb)Tax Return. Any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(ccc)Working Capital. As of the Closing Date, Seller's current assets minus its current liabilities, determined in accordance with GAAP, less an additional \$150,000 except that: (a) current assets shall not include (i) inter-company accounts between Seller and any Affiliate of Seller and (ii) tax refunds or credits; and (b) current liabilities shall not include (i) intercompany accounts between Seller and any Affiliate of Seller, (ii) liabilities to be paid by Seller pursuant to Section 7.4(a) and (iii) current liabilities for federal, state and local income Taxes to the extent such Taxes are to be paid by Seller under the provisions of Section 7.5. For purposes of calculating Working Capital, Seller's accounts receivable shall be valued at ninety percent (90%) of the face value thereof.

1.2 Other Definitional Provisions.

(a) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(b) The term "knowledge," when used to qualify a representation, warranty, statement, covenant or other obligation (including, without limitation, as used in Section 5) of Seller contained in this Agreement or in any document or instrument delivered pursuant to this Agreement, shall mean the actual knowledge of William Mustard, Seller's president, without any imputation of knowledge from any other person and without any duty of investigation.

(c) References in this Agreement to Sections, Schedules and Exhibits are to Sections of and Schedules and Exhibits to this Agreement, unless otherwise specifically stated.

2. Purchase and Sale of Assets; Assumption of Liabilities.

2.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller all of the right, title and interest of Seller, free and clear of Encumbrances, in and to all of the assets and property, real, personal and mixed, tangible and intangible, used in or forming a part of the Business, other than the Excluded Assets, as the same shall exist as of the Closing (collectively, the "Assets") including, without limitation, the following:

- (a) All cash and cash equivalents;
- (b) the Real Property;
- (c) all machinery, equipment, furnishings, fixtures, supplies, spare parts, inventories and all other items of tangible personal property used in or forming a part of the Business;
- (d) all motor vehicles (owned or leased) used in the Business;
- (e) all accounts receivable relating to products sold or services rendered in connection with the Business, whether or not invoices relating thereto have been issued;
- (f) all Seller Contracts and Real Property Leases other than the Excluded Contracts;
- (g) all prepaid expenses, advances and deposits relating to the Business;
- (h) all causes of action, demands, judgments, claims (including insurance claims), indemnity rights or other rights in favor of the Business and relating to the Assets or the Business or arising under express or implied warranties from suppliers with respect to the Assets;
- (i) the Intellectual Property;
- (j) all Governmental Permits relating to the Business, to the extent such Governmental Permits are transferable;
- (k) the FCC Licenses and the FCC Applications;
- (l) the CBS Affiliation Agreement;
- (m) the Business as a going concern, including its goodwill (if any) and all other intangible assets associated therewith;

(n) all books and records relating to the Business, including, but not limited to, correspondence, employment records, production records, accounting records, property records, mailing lists, customer and vendor lists, and regulatory files; provided, however, that the Seller shall be entitled to retain duplicate copies of such books and records, and provided further, that, with respect to any such books and records that do not relate exclusively to the Business, the Assets shall include only copies thereof;

(o) all other assets and properties of whatever nature reflected on the Interim Financial Statements and not constituting Excluded Assets;

(p) telephone listings;

(q) all computer software, data rights, documentation and associated license, escrow, support and maintenance agreements, used solely in the conduct of the Business to the extent they are legally transferable by Seller with or without the consent of any other party;

(r) all transmitters, antennas, towers, translators, earth stations and other auxiliary facilities, all station equipment and all applications therefor owned, leased or otherwise used or useful by Seller and the Station; and

(s) all customer, dealer, supplier and installation lists; serial number records; engineering, design, installation and other technical drawings and specifications, calculations and production processes and techniques; operating, maintenance and repair manuals and instruction books; cost and estimating information, cost records, vendor data and other business records (including, without limitation, sales histories); sales inquiries; consultant's reports; advertising and promotional literature, including reproducible masters and all other commercial, sales, marketing and technical data (including, but not limited to, data stored electronically or on other format, together with an assignment of any third party licenses necessary to use such data).

2.2 Excluded Assets. Seller is not selling, and Buyer is not purchasing, any of the assets expressly excluded from the definition of Assets in Section 2.1(a) through 2.1(s) or any of the following assets, all of which shall be retained by Seller (collectively, the "Excluded Assets"):

(a) Seller's rights under this Agreement and the Escrow Agreement;

(b) Seller's income and franchise tax returns, tax records, rights to tax refunds, corporate franchise books, stock record books, corporate record books, including minutes of meetings of directors and stockholders, and such other records as have to do with Seller's taxation, organization or stock capitalization;

(c) Seller's claims under any insurance policies, except to the extent such claims relate to the Assets; and

(d) The assets and properties described on Schedule 2.2(d) including, but not limited to, insurance plans, retirement plans, employee benefit plans and union contracts.

2.3 Non-Assignable Assets. Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall not constitute an agreement or an attempted agreement to transfer, sublease or assign any Governmental Permit which by its terms or as a matter of law is not transferable or any contract, license (including the FCC Licenses), lease, commitment, sales or purchase order or any other agreement if any such attempted transfer, sublease or assignment would constitute a breach thereof.

2.4 Assumption of Liabilities by Buyer. On the terms and subject the conditions set forth in this Agreement, at the Closing, simultaneously with the transfer by Seller to Buyer of the Assets, Buyer shall assume and shall thereafter pay or cause to be paid or otherwise discharged, as the same become due, the following liabilities and obligations of Seller relating to the Business (collectively, the “Assumed Liabilities”):

(a) all liabilities and obligations of Seller which are reflected or reserved against on the Interim Financial Statements, except to the extent such liabilities or obligations constitute Excluded Liabilities;

(b) all liabilities and obligations of Seller under the Seller Contracts and Real Property Leases;

(c) all liabilities and obligations of Seller incurred after the date of the Interim Financial Statements in the ordinary course of business and in accordance with the terms of this Agreement, which are outstanding on the Closing Date, except to the extent such liabilities or obligations constitute Excluded Liabilities; and

(d) the liabilities and obligations, if any, described on Schedule 2.4(d).

2.5 Excluded Liabilities. Notwithstanding the provisions of Section 2.4 Buyer does not and shall not assume, pay, perform or discharge any of the following liabilities or obligations (collectively, the “Excluded Liabilities”):

(a) liabilities or obligations of Seller which may arise by reason of or with respect to this Agreement or any of the transactions contemplated hereunder (including, without limitation, legal, accounting, brokerage or finder’s fees);

(b) except to the extent reflected or reserved against on the Interim Financial Statements, liabilities or obligations for Taxes that (i) relate to the operations of the Business prior to the Closing Date or (ii) are incurred by Seller as a result of the transactions contemplated hereby;

(c) liabilities or obligations of any nature relating to the Excluded Assets;
and

(d) the liabilities and obligations described on Schedule 2.5(d).

3. Purchase Price; Payment; Working Capital Adjustment.

3.1 Purchase Price. On the terms and subject to the conditions set forth in this Agreement, Buyer shall pay a purchase price for the Assets of Ten Million Dollars (\$10,000,000) (the “Basic Purchase Price”) plus or minus, as the case may be, the Estimated Working Capital Amount (and subject to final adjustment after Closing based on the Final Working Capital Amount determined in accordance with Section 3.4). The Basic Purchase Price plus or minus, as the case may be, the Estimated Working Capital Amount (and subject to final adjustment after Closing based on the Final Working Capital Amount) is referred to herein as the “Purchase Price.”

3.2 Deposit.

(a) Simultaneously with the execution of this Agreement, Buyer, Seller and *Boston Safe Deposit and Trust Company* (the “Escrow Agent”) are entering into an Escrow Agreement (the “Escrow Agreement”) in the form of Exhibit A.

(b) Simultaneously with the execution hereof, Buyer is delivering to the Escrow Agent the amount of 3% of the Basic Purchase Price as a deposit (the “Deposit”) to secure Buyer’s performance hereunder, to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement. If the Closing takes place, the Deposit and all earnings thereon shall, pursuant to the terms of the Escrow Agreement, be paid at the Closing to Seller, and the full amount of such payment shall be credited against the Purchase Price. If the Closing does not take place because (i) of a material breach by Seller of its representations or warranties in Section 5 or of the covenants and obligations to be performed by Seller hereunder (and if Buyer is not in material breach of its representations or warranties in Section 6 or of the covenants and obligations to be performed by Buyer hereunder), or (ii) this Agreement is terminated by Seller or Buyer pursuant to Section 14 (except as a result of a breach by Buyer), or (iii) Buyer elects not to close pursuant to Section 7.2 then, pursuant to the Escrow Agreement, the Deposit and all earnings thereon shall be paid to Buyer. If the Closing does not take place for any other reason, then, pursuant to the Escrow Agreement, the Deposit and all earnings thereon shall be paid to Seller.

3.3 Payment. At the Closing, Buyer shall pay to Seller the Basic Purchase Price plus or minus, as the case may be, the Estimated Working Capital Amount (and subject to final adjustment after Closing based on the Final Working Capital Amount), minus the Deposit and all earnings thereon.

3.4 Working Capital Adjustment.

(a) Not more than five (5) days prior to the date of Closing, Seller shall prepare and deliver to Buyer a Working Capital schedule of Seller prepared by Seller (the “Estimated Working Capital Schedule”) which shall set forth in reasonable detail (and with supporting work papers) Seller’s calculation of the actual Working Capital of Seller as of the Closing Date (the “Estimated Working Capital”). Such Estimated Working Capital shall be final, conclusive and binding upon the parties unless Seller receives a notice (the “Notice”) within thirty (30) days thereafter that Buyer objects to the Estimated Working Capital, and in such notice provides Seller with a reasonably detailed explanation of the basis of Buyer’s

objection and its proposal for any adjustment to the Estimated Working Capital Schedule and the Estimated Working Capital.

(b) If Buyer delivers the Notice, Buyer and Seller will use reasonable efforts to resolve any disagreements as to the amount of the Working Capital. If Buyer and Seller are unable to reach agreement with respect to the Working Capital within thirty (30) days after delivery of the Notice, then Buyer and Seller shall refer such disagreement (not later than thirty-seven (37) days after delivery of the Notice) to Ernst & Young LLP (the "Accounting Firm"); provided that each party hereby represents to the other that such firm has not performed any services for such party within the last five (5) years and agrees that such firm will not perform any services for such party after the Effective Time and prior to the Final Determination Date, or, if such accounting firm has performed services for such party within the last five (5) years, or provides services to such party after the Effective Time, then the Accounting Firm shall be a nationally recognized accounting firm selected by the party for whom Ernst & Young LLP has not performed any services within the last five (5) years or since the Effective Time. The determination of the Accounting Firm as to the Working Capital shall be final, conclusive and binding upon the parties. Each party shall provide the other party and its auditors with access to all pertinent information and personnel, and with access to its working papers. The Accounting Firm shall upon receiving such request undertake an audit of the disputed portions of the Estimated Working Capital Schedule as of the actual Closing Date based on the definition of Working Capital set forth in this Agreement and shall within thirty (30) days thereafter deliver to Buyer and to Seller a schedule setting forth the Accounting Firm's determination of the disputed portions of the Estimated Working Capital Schedule and the actual Working Capital amount. The fees and expenses of the Accounting Firm for such service shall be paid by the parties based upon the degree to which the Accounting Firm accepts the respective positions of the parties. For example, if it is Buyer's position that the Working Capital amount is \$300, Seller's position that the Working Capital amount is \$100 and the Accounting Firm's finding that the Working Capital amount is \$150, then Buyer shall pay 75% $(300-150 / 300-100)$ of the Accounting Firm's fees and expenses and Seller shall pay 25% $(150-100 / 300-100)$ of the Accounting Firm's fees and expenses.

(c) The amount of the Estimated Working Capital set forth on the Estimated Working Capital Schedule, if not objected to by Buyer as provided in Section 3.4(a), the Working Capital amount agreed to by Buyer and Seller pursuant to Section 3.4(b), or the Working Capital amount determined by the Accounting Firm as provided in Section 3.4(b), whichever is the case, shall for all purposes of this Agreement be the "Final Working Capital Amount."

(d) If the Estimated Working Capital Amount is a positive number, at the Closing Buyer shall pay Seller the Basic Purchase Price plus the Estimated Working Capital Amount. If the Estimated Working Capital Amount is a negative number, at the Closing Buyer shall pay to Seller the Basic Purchase Price minus the Estimated Working Capital Amount. If after the Final Determination Date the Final Working Capital Amount is determined under Section 3.4(b) (either by mutual agreement or by the Accounting Firm) to be greater than the Estimated Working Capital Amount paid by Buyer to Seller at the Closing pursuant to Section 3.3, then the difference shall be paid by Buyer to Seller within seven (7) days after the Final Determination Date. If after the Final Determination Date the Final Working Capital Amount is

determined under Section 3.4(b) (either by mutual agreement or by the Accounting Firm) to be less than the Estimated Working Capital Amount paid to Seller at the Closing pursuant to Section 3.3, then the difference shall be paid by Seller to Buyer within seven (7) days after the Final Determination Date.

(e) All payments under this Section 3 shall be made by wire transfer in immediately available funds in accordance with wiring instructions to be furnished at least two (2) days prior to the date of payment.

3.5 Allocation of Purchase Price. The Purchase Price shall be allocated among the Assets as set forth in Schedule 3.5, which schedule shall be prepared and agreed to in writing by the parties prior to the Closing. The parties agree to abide by such allocation in preparation of federal and state income tax returns or other federal or state tax filings on which the transactions contemplated by this Agreement are reported or on which the basis of any of the Assets is disclosed, reported or claimed.

4. FCC Consent.

4.1 Filing of Assignment Applications. The sale and transfer of the Assets and FCC Licenses to Buyer are subject to approval by the FCC. Seller and Buyer shall jointly proceed to prepare and file with the FCC the Assignment Applications, together with all other appropriate instruments, as soon as reasonably possible after the execution of this Agreement, but in any event not later than five (5) business days following the date of this Agreement. The parties shall cooperate with each other in the preparation of the Assignment Applications and shall in good faith and with due diligence take all steps necessary or desirable and proper to expedite the processing of the Assignment Applications and to secure such consents or approvals as expeditiously as practicable. Each of Seller and Buyer shall deliver a draft of its portion of the Assignment Applications to the other for review and comment as soon as practicable after the execution of this Agreement. If the Closing shall not have occurred for any reason within the initial effective periods of the granting of the FCC Order, and no party shall have terminated this Agreement under Section 10, the parties shall jointly request and use their respective best efforts to obtain one or more extensions of the effective periods for granting the FCC Order. No party shall knowingly take, or fail to take, any action the intent or reasonably anticipated consequence of which would be to cause the FCC not to grant approval of the Assignment Applications. The failure by either party to timely file or diligently prosecute its portion of the Assignment Applications shall be deemed to be a material breach of this Agreement.

4.2 Publication of Notices, etc. Seller shall publish the notices required by the FCC relative to the filing of the Assignment Applications. Copies of all applications, documents and papers filed after the date hereof and prior to the Closing, or filed after the Closing with respect to the transactions under this Agreement, by Seller or Buyer with the FCC, shall be mailed to the other simultaneously with the filing of the same with the FCC. None of the information contained in any filing made by Buyer or Seller with the FCC with respect to the transactions contemplated by this Agreement shall knowingly contain any untrue statement of a material fact.

5. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

5.1 Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller is duly qualified or licensed to do business in the State of Pennsylvania and is not, by virtue of the character of its properties or the nature of its business, required to be so qualified in any other jurisdiction (except where the failure to meet these requirements would not result in a Material Adverse Effect). Seller has all requisite corporate power and authority to own, lease and operate the Station and to carry on the Business as now conducted.

5.2 Authorization; Binding Obligation. Seller has the corporate power and authority to execute, deliver and perform this Agreement and the related documents called for herein, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action of Seller. This Agreement and each of the other documents to be executed by Seller hereunder constitutes, or upon execution will constitute, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Compliance with Laws and Other Instruments. Except as set forth on Schedule 5.3, the business and operations of Seller are being and, to the knowledge of Seller, have been, conducted in accordance with all applicable federal, state and local laws, rules and regulations, except in those instances in which failure to comply would not have a Material Adverse Effect. Assuming all consents, approvals and authorizations described in Schedule 5.3 have been obtained and all filings and notifications listed on Schedule 5.3 have been made, and except as may result from any facts or circumstances relating solely to Buyer, the execution and delivery by Seller of this Agreement, the performance by Seller of its obligations under this Agreement, and the consummation of the transactions contemplated hereby, do not and will not, with or without the giving of notice or the lapse of time, or both: (i) require any authorization, consent, approval, license, exemption of or filing or registration with any Governmental Authority, except such as are set forth in Schedule 5.3 and except where the failure to obtain or make any such authorization, consent, approval, license (including the FCC Licenses), exemption, filing or registration would not have a Material Adverse Effect, (ii) subject to the FCC granting the FCC Order, violate any provision of law, statute, rule, regulation, executive order, order, writ, judgment, injunction, decree, determination or award applicable to Seller, except where such violation would not have a Material Adverse Effect, (iii) violate any provision of the charter or by-laws of Seller, (iv) violate, result in a breach of or constitute a default under any indenture, loan or credit agreement, note agreement, deed of trust, mortgage, security agreement or other agreement, lease or instrument, commitment or arrangement to which Seller is a party or by which Seller or the Assets are bound or affected, except where such violation, breach or default would not have a Material Adverse Effect, (v) result in the creation or imposition of any Encumbrance upon any of the Assets under any agreement (written or oral) or

other instrument to which Seller is a party, or by which Seller or the Assets are bound or affected. Without limiting the generality of the foregoing:

(a) The Station's transmitting and studio equipment is operating in accordance with the terms and conditions of the FCC Licenses and all underlying construction permits, and the rules, regulations and policies of the FCC, including, without limitation, all regulations concerning equipment authorization and human exposure to radio frequency radiation. To Seller's knowledge, the Station is not causing interference in violation of FCC rules to the transmission of any other broadcast station or communications facility and has not received any complaints with respect thereto and no other broadcast station or communications facility is causing interference in violation of FCC rules to the Station's transmissions or the public's reception of such transmissions.

(b) The tower used in the operation of the Station is obstruction marked and lighted to the extent required by, and in accordance with the rules and regulations of the Federal Aviation Administration (the "FAA") and the FCC. Appropriate notification to the FAA has been filed for such tower where required by the FCC's rules and regulations. All broadcast towers from which the Station operates has been duly registered with the FCC if such registration is required.

5.4 FCC Licenses. The FCC Licenses are all of the licenses, permits and other authorizations used or necessary to lawfully operate the Station in the manner and to the full extent as it is now operated, and the FCC Licenses are validly issued in the name of Seller. The Station is operated in all material respects in compliance with the terms of the FCC Licenses, the Communications Act of 1934, as amended, and applicable rules, regulations and policies of the FCC, and the non-material violations or conflicts excepted from the foregoing will not have a material adverse effect on the renewal of any of the FCC Licenses for a full term in the ordinary course without material qualifications or result in the revocation of any of the FCC Licenses. A true and complete list of all FCC Licenses is set forth on Schedule 5.4 and true and complete copies of each of which, including any and all amendments and other modifications thereto, have been delivered to Buyer. The FCC Licenses are valid and in full force and effect. Except as set forth on Schedule 5.4, no application, action, investigation, complaint or proceeding is pending and, to Seller's knowledge, threatened which may have a material adverse effect on the Business or operation of the Station (other than rulemaking proceedings that apply to the television broadcasting industry generally). There are no facts which, under the Communications Act of 1934, as amended, and applicable rules, regulations and policies of the FCC, would impair the qualifications of Seller to hold any FCC License or which would disqualify Seller from assigning the FCC Licenses or from consummating the transactions contemplated herein within the times herein. Except as set forth on Schedule 5.4, there is no proceeding pending before the FCC, and there is no outstanding notice of violation from the FCC, with respect to the Station. Seller has no knowledge of any claim by any third party pending or threatened, which, if successful, would reasonably be expected to jeopardize renewal or assignment to Buyer of any FCC License. The Station is in compliance with the FCC's policy on exposure to radio frequency radiation.

5.5 Digital Television. The Station has been allotted channel 16 for the operation of digital television service ("DTV") by the FCC. Except as set forth on Schedule 5.4,

the Station has timely filed an application with the FCC for the authorizations necessary to permit the construction of a DTV station on such a channel. The Station is in compliance with the FCC's requirements and policies with respect to the construction and operation of the Station's DTV facility.

5.6 Title to Assets. Except as set forth on Schedule 5.6, Seller has good and marketable title (or, in the case of Assets that are leased or licensed, valid leasehold or licensed interest in) to all Assets currently owned and used or held for use in the operation of the Station, free and clear of all Encumbrances.

5.7 Real Property. No portion of the Real Property, to the knowledge of Seller, is the subject of, or affected by, any condemnation or eminent domain proceedings currently instituted or pending, and, to the knowledge of Seller, no such proceedings are threatened. Seller does not know and has not received written notice of any default or breach by Seller under any of the covenants, conditions, restrictions, rights of way or easements, if any, affecting the Real Property or any portion thereof.

5.8 Contracts and Agreements.

(a) Except as set forth on Schedule 5.8(a), the Seller Contracts described on the Schedule of Contracts are legal, valid, binding, enforceable and in full force and effect in all respects and will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms immediately following consummation of the transactions contemplated hereby. Seller is in compliance in all material respects with the provisions of each of the Seller Contracts and, to Seller's knowledge, no event has occurred that, with or without notice or the lapse of time, would entitle any other party thereto to cancel, modify, terminate or rescind any of the Seller Contracts. Except as set forth on Schedule 5.8(a), the Seller Contracts are assignable to Buyer without the consent of the other party or parties thereto. True and complete copies of all Seller Contracts have been delivered to Buyer.

(b) The Real Property Leases described on the Schedule of Contracts are legal, valid, binding, enforceable and in full force and effect in all respects and will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms immediately following consummation of the transactions contemplated hereby. Seller is in compliance in all material respects with the provisions of each of the Real Property Leases and, to Seller's knowledge, no event has occurred that, with or without notice or the lapse of time, would entitle any other party thereto to cancel, modify, terminate or rescind any of the Real Property Leases. Except as set forth on Schedule 5.8(b), the Real Property Leases are assignable to Buyer without the consent of the other party or parties thereto. True and complete copies of all Real Property Leases have been delivered to Buyer.

5.9 Litigation. Except as set forth on Schedule 5.9, there is no litigation, proceeding, investigation, order, writ, injunction or decree pending or, to the knowledge of Seller, threatened against Seller at law or in equity, or before any Governmental Authority, which seeks to restrain or enjoin, or which would reasonably be expected to result in restraining or enjoining, the consummation of the transactions contemplated by this Agreement or which, if adversely decided, would reasonably be expected to result in a Material Adverse Effect.

5.10 Employee Benefit Plans.

(a) Schedule 5.10 lists each (a) nonqualified deferred compensation or retirement plan or arrangement, (b) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) any employee welfare plan or material fringe benefit or other retirement, bonus, or incentive plan or program that Seller maintains or to which Seller contributes or has any obligation to contribute. All such plans have been administered in substantial compliance with their terms, and, where applicable, with ERISA and the Code. Neither Seller nor any of its affiliates, or any fiduciary, trustee, or administrator of any such plan has engaged in any prohibited transactions (as defined by ERISA § 406 and Code § 4975) and there is no current matter which could reasonably be expected to result in any such plan being deemed to be not in compliance with the pertinent provisions of any law, regulation or ruling applicable thereto and which could reasonably be expected to impose any material liability upon Buyer or the Assets. Seller has made all contributions due to date under or with respect to the plans listed on Schedule 5.10 necessary to meet the applicable minimum funding requirements of ERISA.

(b) Seller does not contribute to nor is it required to contribute to any “multiemployer plan” as defined in Section 414(f) of the Internal Revenue Code or Section 3(37) of ERISA, and Seller has not incurred nor reasonably expects to incur any “withdrawal liability” under Section 4201 et. seq. of ERISA.

5.11 Financial Statements. Buyer has been furnished with (a) audited financial statements of Seller for the period ending December 31, 2000, the unaudited balance sheet of Seller as of December 31, 2001 and the related statements of income, stockholders’ equity and cash flows for fiscal 2001 (collectively the “Financial Statements”), and (b) the unaudited balance sheet of Seller as of March 31, 2002 and the related statement of income for the three-month period then ended (the “Interim Financial Statements”). In connection with the delivery of the Estimated Working Capital Schedule pursuant to Section 3.4, Seller shall also deliver to Buyer an unaudited estimated balance sheet of Seller as of the Closing Date (the “Closing Balance Sheet”). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby. The balance sheets (together with the pertinent notes thereto) included in the Financial Statements, the Interim Financial Statements and the Closing Balance Sheet present fairly in all material respects the financial position of Seller as of the respective dates indicated, and the statements of income, shareholders’ equity and cash flows included in the Financial Statements and the statement of income included in the Interim Financial Statements present fairly in all material respects the results of operations and cash flows of Seller for the respective periods indicated (except, in the case of the Interim Financial Statements, (i) subject to year-end adjustments consisting of normal recurring items, (ii) subject to necessary interim accounting practices and procedures consistent with past practice, (iii) with respect to allocations of corporate overhead expenses, and (iv) for the absence of footnotes). Except to the extent reflected in the Financial Statements, the Interim Financial Statements, the Closing Balance Sheet, this Agreement or the Schedules to this Agreement, Seller has no material liabilities or obligations of the type or nature required to be reflected in financial statements pursuant to GAAP other than liabilities or obligations (x) incurred in the

ordinary course of business since March 31, 2002 or (y) that, when considered individually and in the aggregate, do not have a Material Adverse Effect.

5.12 Absence of Changes. Except as set forth on Schedule 5.12, since March 31, 2002, there has been no change in the condition, financial or otherwise, or results of operations of Seller or the Assets, other than changes occurring in the ordinary course of business and that have not, individually or in the aggregate, resulted in a Material Adverse Effect.

5.13 Intellectual Property. Except as set forth on Schedule 5.13, Seller (i) owns free and clear of all Encumbrances or has the right to use all Intellectual Property presently used in, and necessary for, the conduct of the Business; (ii) to the knowledge of Seller, is not infringing upon or otherwise acting adversely to the right or claimed right of any Person under or with respect to said Intellectual Property referred to in clause (i); (iii) other than as disclosed in Schedule 5.13, is not obligated or under any liability to make any payments by way of royalties, fees or otherwise in excess of \$10,000 per year to any owner or licensee of, or other claimant to, any such Intellectual Property referred to in clause (i); and (iv) since the date of the Interim Financial Statements, has not transferred or otherwise assigned any rights in any such Intellectual Property referred to in clause (i), including without limitation, by license, other than in the ordinary course of business.

5.14 Taxes. Seller has timely filed with the appropriate Tax authorities all Tax Returns required to have been filed by it, and has paid all Taxes due as reflected on said returns. There is no pending dispute with any Tax authority relating to any Tax Return of Seller which, if determined adversely to Seller, would result in the assertion by any Tax authority of any valid Tax deficiency in a material amount, and Seller has no knowledge of a proposed liability for any Tax to be imposed. As of the date hereof, there are no Tax liens on any of the Assets and, to Seller's knowledge, there is no basis for the assertion of any such Tax liens. Seller has no liability for the Taxes of any person under Regulation §1.1502-6 of the Code (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise. Buyer will not be liable for any unpaid Taxes of Seller or any Taxes relating to the ownership or operation of the Assets prior to the Closing Date.

5.15 Environmental Matters. To Seller's knowledge, except as set forth on Schedule 5.15, Seller has complied with and is in compliance in all material respects with all applicable Environmental Laws and all material requirements of applicable permits, licenses, approvals and other authorizations pertaining thereto. Except for communications in connection with the matters listed on Schedule 5.15, Seller has not received any communication, notice or claim asserting that Seller is not in compliance with, or has any liability under, any Environmental Law. Except as set forth in any environmental report delivered by Seller to Buyer prior to the date of this Agreement and except as set forth on Schedule 5.15, to Seller's knowledge:

(a) no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law ("Hazardous Materials") has been generated, stored, transported or released on, in, from or to (i) the Real Property included in the Assets or

(ii) any real property leased by Seller under the Real Property Leases included in the Assets, except in compliance in all material respects with applicable Environmental Laws;

(b) no tanks used for the storage of any hazardous or toxic substances above or below ground are present on or about (i) the Real Property or (ii) any real property leased by Seller under the Real Property Leases included in the Assets; and

(c) no polychlorinated biphenyls or substances containing polychlorinated biphenyls are present on (i) the Real Property or (ii) any real property leased by Seller under the Real Property Leases included in the Assets.

5.16 Accounts Receivable. The accounts receivable of Seller have arisen only out of transactions in the ordinary and usual course of the operation of its business. The method of accounting for accounts receivables reflected on the balance sheets included in the Financial Statements, Interim Financial Statement and books and records of Seller is substantially consistent with past practice and in accordance with GAAP consistently applied. Except as set forth on Schedule 5.16, no receivable has been pledged or assigned to any other person and, to the knowledge of Seller, no defense or set off to any receivable has been asserted by the receivable obligor.

5.17 Title to and Condition of Real Property. The Schedule of Real Property and Schedule of Real Property Leases contain a complete and accurate description of all real property currently owned, leased or otherwise used by Seller in the conduct of the Business and operations of the Station, including all fee estates, leasehold interests and estates, easements, real property licenses, rights to access, and rights of way. Except as set forth in the Schedule of Real Property and Schedule of Real Property Leases and except for the items described in Section 7.10(a)(i), (ii), and (iv), (a) Seller has good and marketable fee simple title to all of the real property owned in fee by Seller, insurable at standard rates, free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, leases, charges and other claims and encumbrances of any nature whatsoever, and (b) all of the real property listed in Schedule of Real Property and Schedule of Real Property Leases (including all improvements thereon and appurtenances thereto) is in compliance in all material respects with all applicable ordinances and building, zoning and other laws. Except as set forth in Schedule of Real Property and Schedule of Leases, the transmitting facilities of the Station, including the towers, guy lines, ground radials, anchors, and all other related buildings, structures and appurtenances are located entirely within the confines of the real property listed in Schedule of Real Property and Schedule of Real Property Leases. All towers and other structures on the real property are painted and lighted in accordance with the requirements of the FCC Licenses, the FCC, the Federal Aviation Administration and all applicable requirements of federal, state and local law.

5.18 Labor Matters.

(a) Schedule 5.18 sets forth the names, current annual salary, job position, length of employment and date and amounts of the most recent increases in salary of all persons who are employed by Seller on a full-time or part-time basis (including all persons currently on short or long-term disability) in connection with the Station, including all independent contractors (excluding any that can be terminated with 30 days prior notice).

(b) Except as set forth on Schedule 5.18, there are no strikes, work stoppages, grievance proceedings, union organization efforts or other controversies pending or, to Seller's best knowledge, threatened between Seller and any of its employees or agents or any union or collective bargaining unit.

(c) Seller is in compliance in all material respects with all laws and regulations relating to the employment of labor, including, without limitation, provisions relating to wages, hours, collective bargaining, occupational safety and health, equal employment opportunity and the withholding of income taxes and social security contributions, and Seller has not received any notice alleging that it has failed to comply in any material respect with any of the foregoing.

(d) Except as set forth in Schedule 5.18 hereto, there are no collective bargaining agreements, employment agreements or other arrangements between Seller and any of its employees or agents, and Seller is not aware of any current attempts to organize or establish a labor union or employee association for the employees of Seller. Except as set forth in Schedule 5.18 hereto, no employee of Seller has any contractual right to continued employment by Seller following consummation of the transactions contemplated by this Agreement.

5.19 General Representation and Warranty. This Agreement (including the Schedule thereto) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained herein not misleading in any material respect.

6. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

6.1 Organization and Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite power and authority to own, lease and operate its business as now conducted.

6.2 Authorization; Binding Obligation. Buyer has the power and authority to execute, deliver and perform this Agreement and the related documents called for herein, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action. This Agreement and each of the other documents to be executed by Buyer at the Closing constitutes, or upon execution will constitute, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.3 Absence of Conflicting Agreements. The execution, delivery, performance and consummation of this Agreement by Buyer do not and will not, with or without the giving of notice or the lapse of time or both; (i) require any authorization, consent, approval,

license, exemption of or filing or registration with any Governmental Authority, except for the FCC Order; (ii) subject to the FCC granting the FCC Order, violate any provision of law, statute, rule, regulation, executive order, order, writ, judgment, injunction, decree, determination or award applicable to Buyer, except any violation which would not have a material adverse effect on the business or assets of Buyer and which do not adversely affect the ability of Buyer to perform its obligations hereunder or which would not prevent, hinder or delay the consummation of the transactions contemplated hereby; (iii) violate any provision of the organizational documents of Buyer; or (iv) violate, result in a breach of or constitute a default under any material agreement to which Buyer is a party or is otherwise subject, except any violation, breach or default which would not have a material adverse effect on the business or assets of Buyer and which would not adversely affect the ability of Buyer to perform its obligations hereunder or which would not prevent, hinder or delay the consummation of the transactions contemplated hereby.

6.4 FCC Qualification. Buyer has no knowledge of any facts which, based on reasonable consultation with counsel, would, under the Communications Act of 1934, as amended, and the present rules, regulations, practices and policies of the FCC, disqualify Buyer from becoming the licensee of the Station. There are no proceedings, complaints, notices of forfeiture, claims or investigations pending or, to the knowledge of Buyer, threatened against or in respect of any of the broadcast stations licensed to Buyer or its affiliates that would impair the qualifications of Buyer to become a licensee of the Station..

6.5 Litigation. There is no litigation, proceeding, investigation, order, writ, injunction or decree pending or, to the knowledge of Buyer, threatened against Buyer at law or in equity, or before any Governmental Authority, which seeks to restrain or enjoin, or which would reasonably be expected to result in restraining or enjoining, the consummation of the transactions contemplated by this Agreement.

7. Other Agreements.

7.1 Access to Records. Seller shall afford Buyer and its accountants, counsel and other representatives reasonable access during normal business hours to all of the business operations, properties, books, files and records of Seller and will do everything reasonably necessary to enable Buyer to make a complete examination of the business, finances, assets and properties (including the facilities), commitments and affairs of Seller and the conditions thereof. This examination will be conducted in cooperation with the officers and other key management employees of Seller in such a manner as to minimize any disruption or interference with the normal business operations of Seller.

7.2 Phase I Environmental Study. Prior to the Closing Date and within sixty (60) days following the date of this Agreement, Buyer or Buyer's designees and representatives may, at Buyer's expense, perform a Phase I environmental study with respect to the Real Property (the "Phase I Study"). If the Phase I Study is performed, Buyer will furnish to Seller a copy of any report related thereto promptly upon receipt thereof. Seller shall cooperate with Buyer and Buyer's designees and representatives in the performance of such Phase I Study including, without limitation, providing Buyer and Buyer's designees and representatives all necessary access to the Real Property prior to Closing and the right to take samples and perform

all other actions reasonably necessary to conduct such Phase I Study. If the Phase I Study indicates that remedial work is needed, Seller shall be responsible for the cost of such work up to \$100,000. If the cost of the remedial work exceeds \$100,000, and Seller does not either perform such work prior to Closing or retain an environmental remediation firm prior to Closing to perform such work, at Seller's expense, within a reasonable period of time following the Closing, Buyer may elect not to Close and the Deposit shall be returned to Buyer.

7.3 Confidentiality. Except as required by law, each party hereto will keep confidential and not use (other than in connection with the transactions contemplated hereby) any information obtained from the other party in connection with the transactions contemplated hereby that is not available to the public. If this Agreement is terminated and the purchase and sale contemplated hereby abandoned, then each party will return to the other party (or destroy and certify that it has so destroyed) all documents and retained materials that it obtained in connection with the transactions contemplated hereby. Following the Closing, Seller shall not utilize any of the Intellectual Property included in the Assets.

7.4 Employees.

(a) Salaries and Benefits Through Closing Date. Seller shall at or as soon as practicable after the Closing Date pay all salaries, workers' compensation assessments and surcharges, unemployment insurance assessments, payments under any employee benefit plans, sick day credits, vacation pay and similar charges or amounts including, without limitation, any bonuses or severance payments with respect to all of its employees owing or accrued for the period up to and including the Closing Date; provided, however, Buyer will reimburse Seller for certain of its severance obligations as provided in Section 7.4(e) below.

(b) Employment by Buyer. Buyer and Seller agree as follows:

(A) At a date mutually convenient to Seller and Buyer, after publication of the FCC Order but at least thirty (30) days prior to the Closing Date, Seller shall notify its employees, and employee organizations representing its employees, of the pending sale of assets as provided in this Agreement and Seller's intent to discontinue its operations (the "Sale Notice"). Seller shall notify its employees, and employee organizations representing its employees, that Buyer is not obligated to hire or continue the employment of any of Seller's employees.

(B) During the period between the Sale Notice and the Closing Date, Seller shall notify each of its employees of Buyer's willingness to consider applications for employment submitted by employees of Seller. During this period, Seller also agrees to distribute to each of its employees Buyer's application for employment form and any other suitable transmittal information, as determined by Buyer, regarding Buyer's wages, salaries and other terms and conditions of employment. Seller also agrees to provide access to Buyer of the personnel files (for inspection and interviewing purposes) of those of Seller's employees who choose to make application to Buyer for future employment; provided that Buyer obtains and furnishes to Seller the consent of such employees to such access.

(C) Buyer specifically reserves to itself the right to employ or reject any or all employment applications submitted by current employees of Seller at its sole and absolute discretion. Nothing in this Agreement shall be construed as a commitment or obligation of Buyer to offer employment to, accept for employment, or otherwise continue the employment of, any of Seller's employees, or to continue the terms and conditions of employment previously provided to Seller's employees; provided, however, that Buyer shall assume the employment contracts set forth on the Schedule of Contracts.

(D) At least five (5) days prior to the Closing, Buyer shall designate in writing the employees of Seller who have accepted offers of employment extended by Buyer ("new hires"). The new hires will be offered employment by Buyer at terms and conditions established by Buyer and shall waive any right to receive severance pay from Seller. Nothing herein is intended to guarantee employment for any new hire of Buyer for any length of time after the Closing.

(c) Health Benefits. Buyer will use commercially reasonable efforts to provide to all employees who accept employment with Buyer and who currently are participants in Seller's group health plan with participation in a group medical welfare benefit plan sponsored by Buyer without any exclusion for any preexisting condition and without any waiting periods provided such coverage is available at commercially reasonable premiums.

(d) Collective Bargaining Agreement. If required by applicable law, Buyer will recognize the National Association of Broadcast Employees and Technicians, AFL-CIO ("NABET") as the exclusive bargaining agent for those employees at the Station who are covered by the agreement between Seller and NABET for the term December 1, 2001 to December 1, 2004 (the "Collective Bargaining Agreement"). During the period between the Sale Notice and the Closing Date, Buyer shall have reasonable access to all represented current employees on Seller's payroll and with the consent of NABET may negotiate with NABET regarding the Collective Bargaining Agreement. Buyer is under no obligation and shall not be required to assume the Collective Bargaining Agreement at the Closing.

(e) If Buyer does not hire a member of the collective bargaining unit (a "Terminated Employee") and as a result Seller is required to make a severance payment to such Terminated Employee, Buyer agrees to reimburse Seller for such severance within ten (10) days of Seller's notice thereof, in an amount to be computed in accordance with the term of the Collective Bargaining Agreement, which amount shall not exceed eight weeks salary for any Terminated Employee.

7.5 Certain Tax Matters. The following provisions shall govern the allocation of responsibility as between Buyer and Seller for certain Tax matters following the Closing Date:

(a) Cooperation on Tax Matters. Buyer and Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with any audit, litigation or other proceeding with respect to Taxes relating to the Assets or this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other

proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and Seller agree (A) to retain all books and records with respect to Tax matters pertinent to Seller relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the respective taxable periods (and, to the extent notified by Buyer or Seller, any extensions thereof), and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Buyer or Seller, as the case may be, shall allow the other party to take possession of such books and records.

(b) Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including the Pennsylvania Realty Transfer Tax and any penalties and interest) incurred in connection with this Agreement shall be paid half by Buyer and half by Seller when due.

(c) Audits. Seller shall have sole and exclusive discretion to contest or not to contest, negotiate and settle proposed adjustments relating to the inclusion in any Tax Return of the income, deductions, credits, allowances or other Tax items of Seller for any period or portion thereof ending on or prior to the Closing Date and shall be entitled to receive any refund or credit with respect to Taxes that are attributable to or arise out of operations of Seller for periods or portions thereof ending on or prior to the Closing Date.

7.6 Retention of Records. Buyer shall retain the books and records pertaining or relating to financial statements, Taxes and FCC and ERISA compliance for periods prior to the Closing Date for a period of at least six years and provide Seller and its representatives reasonable access thereto during normal business hours and on reasonable notice (and will provide the reasonable assistance of Buyer's employees in connection with locating and preparing such information, provided that the normal working duties of such employees are not unduly interfered with) to enable Seller to prepare financial statements, tax returns and other reports, to deal with tax audits and for other bona fide business purposes. No later than thirty (30) days prior to the fifth anniversary of the Closing Date, Seller shall notify Buyer if it would like to obtain copies of any such books and records. Seller shall have a period of thirty (30) days subsequent to the fifth anniversary of the Closing Date to elect to copy any such books and records at no cost to Seller.

7.7 Exclusive Dealing. Until this Agreement is terminated pursuant to Section 10, Seller shall not, directly or indirectly, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other Person relating to the acquisition of the Station, in whole or in part, whether directly or indirectly, through asset purchase, stock purchase, merger, consolidation or otherwise, without the prior written consent of Buyer.

7.8 Conduct of Business Prior to Closing. Between the date of this Agreement and the Closing, Seller will operate the Business only in the ordinary course consistent with past practices and the rules, regulations and policies of the FCC, and in accordance with the following covenants:

(a) Except for liabilities or obligations incurred in the ordinary course of business consistent with past practice or which can be terminated by Buyer after Closing without penalty on less than thirty (30) days' notice, Seller shall not enter into any contract or commitment relating to the Business or any of the Assets, or incur any liability (including obligations relating to the borrowing of money or the guaranteeing of indebtedness) that will be binding on Buyer after the Closing, without Buyer's prior written consent, which consent shall not be unreasonably withheld.

(b) Seller shall not directly or indirectly change the compensation or benefits payable to any employees or executives of the Station, except to the extent required to do so by any Seller Contract.

(c) Seller shall not directly or indirectly sell, assign, lease, or otherwise transfer or dispose of any of the FCC Licenses, FCC Applications or Assets, other than the disposition of obsolete or worn out assets in the ordinary course of business, consistent with past practice.

(d) Seller shall not create any Encumbrances upon the Assets, except for Permitted Encumbrances.

(e) Seller shall not take any action that could reasonably be expected to cause any of the FCC Licenses to expire, to fail to be renewed or to be revoked, suspended, or modified, or cause the FCC or any other governmental authority to institute proceedings for the suspension, nonrenewal, revocation, or adverse modification of any of the FCC Licenses.

(f) Seller shall not waive any material right relating to any of the Assets.

(g) Seller will maintain all of the Assets in good condition (ordinary wear and tear excepted), and use, operate, and maintain all of the Assets in a reasonable manner.

(h) Seller will maintain its books and records in accordance with GAAP.

(i) Seller shall comply in all respects with all applicable laws related to the Business, except any such laws the failure to follow would not cause a Material Adverse Effect.

(j) Seller will maintain policies of fire and extended coverage and casualty, liability and other forms of insurance in such amounts and against such risks and losses as are, in its reasonable business judgment, prudent and shall use reasonable business efforts to keep such insurance or comparable insurance in full force and effect through the Closing.

(k) Seller will act in a manner consistent with its obligations, if any, under the National Labor Relations Act to negotiate with its labor organization(s) concerning the effects and/or impact of the sale and any other related matter. Any and all obligations incurred as a result of such negotiations shall at all times remain those of Seller and shall not, unless specifically provided herein, be assumed by Buyer.

(l) Seller shall not acquiesce in any infringement, unauthorized use or impairment of the Intellectual Property or change the Station's call signs.

7.9 Satisfaction of Closing Conditions. Neither party shall take any action that would, or is reasonably likely to, result in any of its representations and warranties set forth in this Agreement being untrue or in any of the conditions to the Closing set forth herein not being satisfied.

7.10 Title Insurance, Survey and Environmental Report. Seller shall cooperate with Buyer to enable Buyer to obtain the following:

(a) With respect to the Real Property, a preliminary report on title covering a date subsequent to the date hereof, issued by a title company reasonably satisfactory to Buyer, which preliminary report shall contain a commitment (the "Title Commitment") of the company to issue an owner's title insurance policy on ALTA Owner's Policy (the "Title Policy") insuring the fee simple interest of Seller in the Real Property. The Title Commitment shall be subject only to: (i) liens of current state and local property taxes which are not delinquent or subject to penalty; (ii) restrictive covenants and easements of record which do not detract from the value of the Real Property and do not materially adversely affect, impair or interfere with the use of any property affected thereby as hereto used by the Station; (iii) such other liens that will be released at Closing, and (iv) those matters described in First American Title Insurance Company, Commitment to Insure Title, preliminary commitment no. 450027KP (the "First American Commitment") Schedule B - Section II - 8631 Peach Street (except nos. 1, 2, 5, 7, 8, 9, 10 and 20) and as described in Section B - Section II - 1220 Peach Street (except nos. 1, 2, 5, 7, 8, 9, 10 and 15). All standard exceptions for mechanics liens and parties in possession are to be deleted from the Title Commitment at Closing if permitted under applicable laws.

(b) A survey of the Real Property as of a date subsequent to the date hereof which shall: (i) be prepared by a registered land surveyor; (ii) be certified to the title company and to Buyer; and (iii) show with respect to the Real Property: (A) the legal description of each parcel included in the Real Property (which shall be the same as that shown on the Title Policy pertaining thereto); (B) all buildings, structures and improvements thereon and all restrictions of record and other restrictions that have been established by applicable zoning or building codes or ordinances and all easements or rights of way; (C) no encroachments upon any such parcel by buildings, structures or improvements; and (D) access to a public street from such parcel.

(c) Attached hereto as part of Schedule 7.10 is a true and complete copy of the First American Commitment.

(d) The expenses relating to Section 7.10(a) and (b) shall be paid by Buyer.

7.11 Interruption in Broadcast Operations. Prior to the Closing Date, Seller will promptly notify Buyer in writing if the Station ceases to broadcast at its authorized power for a total of 48 hours or more during any 30 day period.

8. Conditions to Closing.

8.1 Conditions to Closing By Buyer. Buyer's obligations hereunder are subject to compliance with, at or prior to the Closing Date, each of the following conditions:

(a) All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, as though such representations and warranties were made at and as of such time, except (i) as affected by the transactions contemplated hereby or as affected by the covenants set forth herein, (ii) representations and warranties made as of a specific date (other than the date of this Agreement) shall continue to be true and correct in all material respects as of such specific date, and (iii) the failure to list a Seller Contract on the Schedule of Contracts shall not of itself excuse Buyer's obligation to effect the Closing unless the omitted Seller Contract is materially adverse to the Business.

(b) All of the covenants contained in this Agreement to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) Seller shall have delivered to Buyer a certificate dated the Closing Date and signed by a duly authorized corporate officer certifying the fulfillment of the conditions set forth in Sections 8.1(a) and (b).

(d) Seller shall have delivered to Buyer the opinion of Foley Hoag LLP ("Foley Hoag"), counsel to Seller, substantially in the form of Exhibit B and of Seller's FCC counsel, if other than Foley Hoag, substantially in the form of Exhibit B-1.

(e) Seller shall have delivered to Buyer a copy of the resolutions of the Boards of Directors and the stockholders of Seller, certified by the Secretary or Assistant Secretary of Seller, duly authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

(f) Assignment of the CBS Affiliation Agreement to Buyer in its current form.

8.2 Conditions to Closing By Seller. The obligations of Seller hereunder are subject to compliance with, at or prior to the Closing Date, each of the following conditions:

(a) All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, as though such representations were made at and as of such time, except (i) as affected by the transactions contemplated hereby or as affected by the covenants set forth herein, and (ii) representations and warranties made as of a specific date (other than the date of this Agreement) shall continue to be true and correct in all material respects as of such specific date.

(b) All the covenants contained in this Agreement to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) Buyer shall have delivered to Seller a certificate dated the Closing Date and signed by a duly authorized corporate officer certifying the fulfillment of the conditions set forth in Sections 8.2(a) and (b).

(d) Buyer shall have delivered to Seller the opinion of Hodgson Russ LLP, counsel to Buyer, substantially in the form of Exhibit C.

8.3 Mutual Conditions to Closing. The obligations of Buyer and Seller to consummate the transactions contemplated by this Agreement are subject to compliance with, at or prior to the Closing Date, each of the following conditions:

(a) Seller shall have obtained the Required Consents.

(b) No order shall have been entered by any court, administrative body or Governmental Authority, which restrains or enjoins the consummation of the transactions contemplated hereby.

(c) There shall not be in effect any statute, ordinance, rule or regulation which makes it illegal for Buyer to consummate the transactions contemplated hereby or any order, decree or judgment enjoining Buyer from consummating the transactions contemplated hereby.

(d) The FCC Order shall have been issued and all material conditions contained in the FCC Order required to be satisfied on or prior to the Closing Date shall have been duly satisfied and the FCC Order shall have become a Final Order; provided, however, that Buyer, in its sole discretion, may waive the condition that the FCC Order become a Final Order.

9. Closing.

9.1 Closing; Date of Closing. The closing provided for in this Agreement, and the consummation of the transactions to be completed herewith (the "Closing"), will take place on a business day (the "Closing Date") agreed upon by Buyer and Seller, which date shall be subsequent to the satisfaction of all conditions to Closing set forth in Section 8, but shall not be more than ten (10) business days following the date on which the FCC Order has become a Final Order. The Closing will take place in the offices of Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210, or by mail or telecopier, as the parties may mutually agree.

9.2 Deliveries by Seller. At or before the Closing, Seller will deliver, or cause to be delivered, as appropriate, to Buyer, in each case in form and substance reasonably satisfactory to Buyer, and duly executed by the appropriate persons or entities, against the deliveries by Buyer specified in Section 9.3:

(a) A Bill of Sale in the form of Exhibit D, and such other bills of sale, assignments and other documents and instruments as may be reasonably necessary to transfer title in and to the Assets to Buyer as contemplated by this Agreement; and

(b) An Assignment and Assumption Agreement (the "Assignment and Assumption Agreement") in the form of Exhibit E, executed by Seller;

(c) The closing certificates described in Section 8.1(c) and the legal opinion described in Section 8.1(d); and

(d) A warranty deed for the Real Property in the form of Exhibit F.

9.3 Deliveries by Buyer. At the Closing, Buyer will deliver, or cause to be delivered, as appropriate, in each case in form and substance reasonably satisfactory to Seller, against the deliveries specified in Section 9.2:

(a) The Purchase Price required to be paid at the Closing;

(b) The Assignment and Assumption Agreement executed by Buyer; and

(c) The closing certificates described in Section 8.2(c) and the legal opinion described in Section 8.2(d).

10. Termination; Effect of Termination.

10.1 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned:

(a) at any time before the Closing, by mutual written agreement of Seller and Buyer;

(b) at any time before the Closing without liability to the terminating party, by Seller or Buyer, in the event that any order or law becomes effective restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement upon notification of the non-terminating party by the terminating party;

(c) at any time before the Closing, by Seller or Buyer (i) in the event of a material breach of this Agreement by the non-terminating party if such non-terminating party fails to cure such breach within fifteen (15) days following notification thereof by the terminating party or (ii) in the event that the non-terminating party is not willing and able to satisfy its delivery obligations set forth in Section 9.2 or 9.3 as the case may be; provided that the party seeking to terminate this Agreement shall not be in breach of any material provision of this Agreement;

(d) at any time before the Closing, by Buyer if the Station fails to transmit its signal for a total of 48 hours or more during any 30 day period or its signal is transmitted at less than 50% power for a total of 96 hours or more during any 30 day period;

(e) by Seller or Buyer, pursuant to the provisions of Section 14; or

(f) at any time after March 1, 2003 without liability to the terminating party, by Seller or Buyer upon notification of the non-terminating party by the terminating party if the Closing shall not have occurred on or before such date and such failure to consummate is

not caused by a breach of this Agreement by the terminating party or an event that constitutes Force Majeure.

10.2 Effect of Termination. If this Agreement is validly terminated pursuant to Section 10.1, this Agreement will forthwith become null and void, and there will be no liability or obligation on the part of Seller or Buyer (or any of their respective officers, directors, employees, agents or other representatives or affiliates); except for claims arising under this Agreement prior to termination and for the provisions of Sections 3.2(b), 10.2 and 16, which will survive the termination hereof.

11. Indemnification.

11.1 Survival; Remedy for Breach. The representations and warranties contained herein, or in any other writing delivered by any party to any other party pursuant hereto will survive the Closing and continue in full force and effect for a period of one year (six years for tax liabilities) after the Closing Date, except that any representation, warranty, covenant or agreement that would otherwise terminate will continue to survive if a claim shall have been timely given in good faith based on facts reasonably expected to establish a valid claim under this Section 11 on or prior to such termination date, until the related claim for indemnification has been satisfied or otherwise resolved as provided in Section 11. After the Closing, the sole and exclusive remedy of any party for any breach or inaccuracy of any such representation or warranty will be the indemnification provisions set forth in this Section 11, all of which will survive the Closing and constitute agreements of each party. As used hereinafter in this Section 11, the term “Damages” means any and all claims, losses, damages, liabilities, expenses and costs, including, without limitation, reasonable attorneys’ fees and other costs of investigating and preparing for any matters giving rise to indemnification or attempting to avoid or mitigate the same or oppose the imposition thereof.

11.2 Indemnification by Seller. From and after the Closing, Seller shall indemnify, defend and hold harmless Buyer and each of its officers, directors, stockholders, employees, agents and affiliates from and against any and all Damages incurred by any of them in connection with, arising from, or as a result of any untruth or breach of any representation or warranty set forth in Section 5 or in any certificate or other instrument delivered by or on behalf of Seller pursuant to this Agreement, or any failure by Seller to perform or fulfill any of its covenants and agreements set forth in this Agreement.

11.3 Indemnification by Buyer. From and after the Closing, Buyer will indemnify and hold harmless Seller and its officers, directors, stockholders, employees, agents and affiliates from and against any and all Damages incurred by any of them in connection with, arising from, or as a result of any untruth or breach of any representation or warranty set forth in Section 6 or in any certificate or other instrument delivered by or on behalf of Buyer pursuant to this Agreement, or any failure by Buyer to perform or fulfill any of its covenants and agreements set forth in this Agreement.

11.4 Claims for Indemnification. Subject to the limitations stated in Section 11.1 and the special procedures for third party claims set forth in Section 11.5, whenever any claim arises for indemnification hereunder, the party seeking indemnification (in each such case,

the “Indemnified Party”), must notify the party from which indemnification is being sought (in each such case, the “Indemnifying Party”) of such claim in writing promptly and in no case later than thirty (30) days after such Indemnified Party has actual knowledge of the facts constituting the basis for such claim. The failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which it may have to any Indemnified Party to the extent the Indemnifying Party is not prejudiced as a result of such failure. Such notice will specify all facts known to such Indemnified Party giving rise to the indemnification sought with reference to the applicable provisions of this Agreement and the amount or an estimate of the amount of the obligation or liability arising therefrom.

11.5 Third Party Claims. Subject to the limitations stated in Section 11.1, except as specifically provided for hereinafter, if the facts giving rise to any indemnification provided for herein involve any actual or threatened claim or demand by any person other than a party to this Agreement or its successors or permitted assigns (a “third party”) against any Indemnified Party or any possible claim by an Indemnified Party against any third party, the Indemnifying Party will be entitled, upon its election, by written notice given to the Indemnified Party within thirty (30) days after the date on which notice of the claim or demand is given to the Indemnifying Party, to assume the defense or prosecution of such claim and any litigation resulting therefrom at its expense and through counsel of its own choosing. If the Indemnifying Party assumes the defense or prosecution of any such claim or litigation, it will take all steps necessary in the defense, prosecution or settlement of such claim or litigation. In any such suit, action or proceeding, the Indemnified Party will have the right to retain its own counsel, but the fees and expenses of such counsel will be at its own expense unless (i) the parties mutually agree to the retention of such counsel or (ii) the named parties to such suit, action or proceeding (including any impleaded parties) include an Indemnified Party and an Indemnifying Party and the representation of both parties by the same counsel presents an actual or potential conflict of interest. The Indemnifying Party will not be liable for any settlement effected without its consent, which consent will not be unreasonably withheld or delayed. The Indemnifying Party may settle any claim without the consent of any Indemnified Party, but only if the sole relief awarded is money damages that are paid in full by the Indemnifying Party and either (i) the consent to the entry of any judgment or settlement includes as an unconditional term thereof the giving to the Indemnified Party of a release from all liability with respect to such claim or litigation or (ii) the litigation against the Indemnified Party is dismissed with prejudice. If the Indemnifying Party will not assume the defense or prosecution of any such claim or litigation, the Indemnified Party may defend against or prosecute such claim or litigation in such manner as it may deem appropriate and may settle such claim or litigation on such terms as such Indemnified Party may deem appropriate; however, the Indemnifying Party will not be liable for any settlement effected without its consent, which consent will not be unreasonably withheld or delayed. If no settlement of such claim or litigation is made, the Indemnifying Party will promptly reimburse such Indemnified Party for the amount of any judgment rendered with respect to such claim or such litigation and for all expenses, legal and other, incurred by such Indemnified Party in connection with any such judgment for which the Indemnified Party has been so reimbursed pursuant hereto, provided, however, that if such judgment is appealable and such Indemnified Party notifies the Indemnifying Party of its intention not to appeal, the Indemnifying Party may prosecute such appeal, at its sole cost and expense and subject to the obligations set forth herein.

11.6 Payment of Indemnity. Each amount determined to be payable by an Indemnifying Party to an Indemnified Party under the terms hereof (“Indemnity”) will be paid to the Indemnified Party within thirty (30) days after the date on which the Indemnifying Party is notified in writing of the amount of such Indemnity, as finally determined in accordance with the terms hereof. Each such notice will itemize the Damages comprising the Indemnity, and such itemization shall be certified to be true and correct by the Indemnified Party or its legal representative.

11.7 Certain Limitations. Notwithstanding anything to the contrary in this Section 11 or elsewhere in this Agreement:

(a) No claims under this Section 11 shall be first made after the first anniversary of the Closing Date except claims for tax liability which may be made up to the sixth anniversary of the Closing Date.

(b) The indemnification provided in this Section 11 shall not apply unless (and then only to the extent that) the aggregate Damages suffered by the Indemnified Party exceed \$100,000.

(c) The liability of the Indemnifying Party under this Section 11 shall not exceed in the aggregate \$2,500,000.

(d) The Indemnified Party’s sole and exclusive remedy for breaches of this Agreement or any other writing delivered by Seller pursuant hereto and for indemnification hereunder or in connection herewith shall be its right to make claims for indemnification under this Section 11.

11.8 Character of Indemnity Payments. All amounts paid pursuant to this Section 11 by one party to another party (other than interest payments) will be treated by the parties as an adjustment to the Purchase Price.

12. Further Assurances. Each party to the Agreement agrees that it will, at any time and from time to time after the Closing Date, upon the reasonable request and without further consideration, do, execute, perform, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, endorsements and assurances as may be reasonably required to give effect to the provisions of this Agreement.

13. Broker. Seller will indemnify Buyer and its Affiliates and their directors, officers and employees and will hold them harmless from and against any claims by any broker, finder or consultant deemed to be engaged by Seller or Seller. Buyer will indemnify Seller and its Affiliates and their respective directors, officers and employees and will hold them harmless from and against any claims by any broker, finder or consultant deemed to be engaged by Buyer or any of its Affiliates. The indemnification in this Section 13 shall survive the Closing without regard to the limitations on indemnification set forth in Section 11

14. Failure to Obtain Final Order. If (i) the FCC Order for the Station has not become a Final Order and/or the Closing has not occurred on or before March 1, 2003, (ii) the FCC designates the Assignment Applications for an evidentiary hearing, or (iii) the FCC issues an

order in connection with the Assignment Applications with conditions which are materially adverse to Buyer or which materially diminish the operating rights with respect to the Station Assets and the Station (except any such conditions expressly accepted by Buyer in writing), then in any such event Buyer may, upon written notice to Seller, or Seller (with respect to clauses (i) and (ii) above) may, upon written notice to Buyer, terminate this Agreement without any further obligation hereunder, provided, that such notice of termination is given prior to the date on which such FCC Order shall have become a Final Order. Upon a termination pursuant to this Section 14, no party to this Agreement shall have any liability to any other party to this Agreement (except pursuant to the provisions of Sections 7.3, 13 and 16.2 which shall survive such termination), and this Agreement in its entirety, except as aforesaid, shall be deemed null, void and of no further force and effect.

15. Risk of Loss. The risk of loss by Force Majeure, or for any other reason, to the Assets between the date of this Agreement and the Closing Date shall be upon Seller. Seller shall take reasonable steps as soon as possible after any loss or damage to repair, replace and restore such property substantially to its state and condition prior to such loss or damage; provided, however, that Seller shall be under no obligation to expend any funds in excess of any insurance proceeds actually received or in the amount of estimated proceeds to be received if the insurance carrier has acknowledged responsibility in writing for such loss and has given an estimate of the payment to be received by Seller by reason of such loss or damage.

16. General.

16.1 Public Announcements. Neither Seller (nor any of its affiliates) nor Buyer (nor any of its affiliates) will make any public statements, including without limitation any press releases, with respect to this Agreement and the transactions contemplated hereby without the prior written consent of the other party, except as may be required by law; provided that the party required to make any announcement required by law will consult with the other party concerning the timing and content of such announcement before such announcement is made.

16.2 Fees and Expenses. Each party shall pay its own costs and expenses in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement; provided, however, that each party shall pay one half of the costs and expenses (including, without limitation, any filing fees) incurred by the parties in connection with the filing of the Assignment Applications and obtaining the FCC Order.

16.3 Benefit and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns; provided, however, that neither Buyer nor Seller shall assign this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other party, and any purported assignment contrary to the terms hereof shall be null, void and of no force and effect, except that Buyer may, without the consent of Seller, transfer and assign its rights under this Agreement prior to the filing of the Assignment Applications to any wholly-owned subsidiary or other wholly-owned Affiliate of Buyer now existing or to be formed, for purposes of consummating the purchase of the Assets and the Business through such wholly-owned subsidiary or other wholly-owned Affiliate of Buyer, provided that such transfer and assignment does not violate Buyer's obligations under Section 7.9 and no such transfer or assignment shall

relieve Buyer of its obligation to pay the Purchase Price in accordance with the requirements of this Agreement.

16.4 Notices. Any notice, demand or request required or permitted to be given under provisions of this Agreement shall be in writing and delivered personally against written receipt, by a nationally recognized courier service or by prepaid, registered or certified mail, return receipt requested, to the following persons and addresses, or to such other addresses or persons as any party may request by notice in writing to all of the other such parties or persons:

if to Seller:

WSEE Television, Inc.
c/o Great Universal Incorporated
153 East 53rd Street, Suite 5900
New York, NY 10022
Attn: William Mustard and Henry Guy
Fax: (212) 702-4666
Telephone: (212) 702-4558

with a copy (which shall not constitute notice) to:

Foley Hoag LLP
155 Seaport Boulevard
Boston, MA 02210
Attention: Leonard Schneidman, Esq.
Fax: (617) 832-7000
Telephone: (617) 832-1000

if to Buyer:

Initial Broadcasting of Pennsylvania, LLC
2 Eastleight Lane
Natick, MA 01760-4275
Attention: Kevin T. Lilly
Fax: (508) 519-6173
Telephone: (508) 545-1995

with a copy (which shall not constitute notice) to:

Hodgson Russ LLP
One M&T Plaza - Suite 2000
Buffalo, NY 14203
Attention: Pamela Davis Heilman, Esq.
Fax: (716) 849-0349
Telephone: (716) 848-1317

Any notice shall be deemed given when received.

16.5 Entire Agreement; Amendment; Waiver. This Agreement, the Exhibits and Schedules attached hereto and the Escrow Agreement embody the entire agreement and understanding of the parties and supersede any and all prior agreements, arrangements and understandings relative to the subject matter hereof. No amendment, no waiver of compliance with any provision or conditions hereof, and no consent provided for herein will be effective unless evidenced by an instrument in writing signed by the parties hereto.

16.6 Headings. The captions in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

16.7 Choice of Law. This Agreement shall be governed by and construed in accordance with the law of the State of New York (but not including the choice-of-law rules thereof).

16.8 Severability. If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable as to any party or in any jurisdiction, then such provision or provisions will be invalid, illegal or unenforceable without affecting or otherwise impairing the enforceability of the remaining provisions contained herein and without affecting or otherwise impairing the enforceability of the same provisions in this Agreement with respect to any other party or in any other jurisdiction.

16.9 Counterparts. This Agreement may be executed in more than one counterpart, each of which will be deemed an original but all of which together will constitute one and the same instrument, and shall be deemed effective when each of the parties has executed a counterpart hereof. In lieu of original documents, a facsimile transmission or copy of an original document shall be effective and enforceable as an original.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

SELLER:

WSEE TELEVISION, INC.

By: _____
Name; Title

BUYER:

INITIAL BROADCASTING OF PENNSYLVANIA,
LLC

By: _____
Name; Title

EXHIBITS

- A. Escrow Agreement
- B. Opinion of Seller's Counsel
- B-1. Opinion of Seller's FCC Counsel
- C. Opinion of Buyer's Counsel
- D. Bill of Sale
- E. Assignment and Assumption Agreement
- F. Warranty Deed

DISCLOSURE SCHEDULES

- 1.1(jj) Governmental Permits
- 1.1(vv) Real Property
- 1.1(ww) Real Property Leases
- 1.1(yy) Contracts
- 2.2(d) Excluded Assets
- 2.4(d) Assumed Liabilities
- 2.5(d) Excluded Liabilities
- 3.5 Allocation of Purchase Price
- 5.3 Compliance with Law and Other Instruments
- 5.4 FCC Licenses
- 5.6 Title to Assets
- 5.8(a) Conflicts, Consent, Approvals (Contracts)
- 5.8(b) Conflicts, Consent, Approvals (Real Property Leases)
- 5.9 Litigation
- 5.10 Employee Benefit Plans
- 5.12 Absence of Changes
- 5.13 Intellectual Property
- 5.15 Environmental Matters
- 5.16 Accounts Receivable Pledges or Assignments
- 5.18 Labor Matters
- 7.10 First American Commitment

BFLODOCS 681854v11 (#m4#11!.DOC)