

PHILLY.COM MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (this "Agreement") entered into by and between Philadelphia Media Network Digital, publisher of Philly.Com, (hereinafter referred to as the "Employer"), and the Newspaper Guild /CWA Local 38010, (hereinafter referred to as the "Guild"), acting for and on behalf of itself and of those members, present or future, covered by this Agreement, shall be valid and binding only after Philadelphia Media Network Newspapers has provided written notice of employment for all members of the Guild, such notice to be given no earlier than the closing date of the purchase of the assets by PN Purchaser Co, LLC under the Asset Purchase Agreement dated September 23, 2010 (the "APA"), and then this Agreement shall only become effective as of the first day Philadelphia Media Network Newspapers operates the assets purchased under the APA as the employer and shall continue in full force and effect until the third anniversary of the first day Philadelphia Media Network Newspapers operates the assets purchased under the APA as the employer.

Article 1. The Employer will recognize the Guild as the sole collective bargaining agent for Editorial and Advertising employees employed at Philly.com subject to the conditions herein. The Guild will not use the work assignments resulting from this Agreement as a means to attempt to represent or claim jurisdiction over any individuals not covered by this Agreement, through any means such as unit clarification procedures or contract grievance procedures. Nothing in this Agreement limits the Guild's right to organize.

Article 2. The provisions set forth in the Agreement shall apply to all present and future Editorial and Advertising employees of Philly.com. For the purpose of the Agreement, Editorial and Advertising employees shall consist of all employees with the following job titles: Multi Media Content Producers, Sales Support, Ad Trafficking, Local Reps, Recruitment Sales, Real Estate Reps, Automotive Reps, and Graphic Designer; but shall not include Executive Producer, VP & Editor, Managing Producer, Social Media Coordinator, Interactive Web Designer, Creative Services Manager, Director Ad Ops, Local Sales Manager, Senior Data Analyst, Classified Sales Manager, VP of Advertising, and Executive Producer – Video.

Article 3. All full-time employees covered by this Agreement shall have a regular forty (40) hour workweek. The regular workweek for part-time employees shall be set by the Employer. All employees shall be entitled to one hour of unpaid lunch a day. All employees shall receive pay only for hours actually worked. Overtime shall be paid at a rate of one and half times the employee's regular rate of pay. Overtime shall be earned only on hours actually worked in excess of forty (40) hours in a workweek.

Article 4. Work schedules shall be set by the Employer for all employees. The Employer can change any schedule upon twenty-four (24) hours advance notice.

Article 5. Except as modified herein, all employees covered by the Agreement shall be subject to Article 4 (Guild & Agency Shop), Article 5 (Check-Off), Article 16 (Holidays),

Article 17 (Personal Days), Article 18 (Bereavement Leave), Article 22 (Sick Pay Leave), Article 31 (Leave for US Service), Article 39 (Grievance), Article 40 (Arbitration), Article 44 (Management Rights), Article 45 (Separability), and Article 33 (No-Strike/No-Lockout) of the main contract between the Employer and the Guild dated September 24, 2010.

Article 6. The Editorial and Advertising employees covered by the Agreement will have a separate seniority list than the employees covered by the main contract between the Employer and the Guild dated September 24, 2010 based on the date of hire at the Employer, including all predecessors.

Article 7. The annual minimum wages for Editorial employees covered by the Agreement shall not be less than \$34,000. The annual minimum wages for Advertising employees covered by the Agreement shall not be less than \$40,000.

Article 8. When Advertising employees covered by the Agreement sell advertising that will be published, attached or inserted in The Philadelphia Inquirer or Daily News, or into affiliated publications or enterprises (including online/New Media products and services), or through networks or independent agencies, such sales will count toward the employee's goals and the employee will receive revenue credit, including applicable incentives and/or commissions for the portion of the advertisement the employee sold. Incentives and/or commissions will be paid for such sales according to the applicable plan.

Article 9. All new hires will have a 270-day probationary period.

Article 10. The Employer may discharge an employee immediately upon giving to the Guild and to the employee written notice of the dismissal and of the reason therefore, in any case in which the cause for the discharge is the employee's financial dishonesty of a substantial nature, or the employee's threat or use of violence.

Article 11. The Employer reserves the right to establish and/or change reasonable goals for each sales employee. These goals are not subject to the grievance and arbitration procedures. The Employer will provide the goals for each sales employee prior to the start of each accounting period. The Employer reserves the right to impose discipline, including without limitation, discharge for good and reasonable cause. Any employee determined by the Employer to have not made their revenue goal and not completed their behavioral goals on the Advertising Sales Monthly Scorecard during the proceeding accounting period will be subject to progressive discipline.

Article 12. The Employer may use academic or paid interns. The minimum rate for paid interns will be \$10.00 per hour.

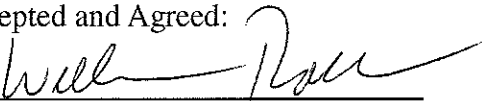
Article 13. The Employer may direct supervisors and managers to perform bargaining unit work under the following categories or circumstances:

- emergency situations;
- for product development, testing and advanced proficiency;
- work incidental to the training and direction of employees;
- installation of vendor-contracted equipment;
- material purchased or used from regional, state, national or international syndicates bureaus or services that are publicized to and utilized by the media industry;
- copy, graphics, or photography obtained from affiliated publications or services, including online;
- advertisements sold, including related billing, by affiliates publications or enterprises (including online services) or through networks or independent agencies;
- work previously performed by such persons consistent with past practice, including without limitation under previous employers; and/or
- by mutual agreement with the Union.

Article 14. Independent contractors and freelancers, celebrities, journalists, vendors, and/or any other persons not covered by this Agreement may be utilized when the Employer, in its sole discretion, determines coverage is required in the best interest of the business.

Article 15. All other terms and conditions of the Editorial and Advertising employees employed at Philly.com as defined herein shall be governed by the Philly.com Employee Handbook. In the event of a conflict between the Philly.com Employee Handbook and the terms of this Agreement, the terms of this Agreement shall govern.

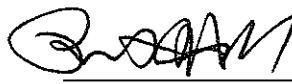
Accepted and Agreed:



William Ross
Executive Director

9-28-2010

Date



Bob Hall
Philadelphia Media Network Digital

9/28/10

Date