

ASSET SALE AGREEMENT

THIS AGREEMENT, made and entered into as of this ____ day of August, 2001, by and between, **TELE-MEDIA COMPANY OF EASTERN NEW YORK, L.L.C.**, a Delaware limited liability company with an address of 320 West College Avenue, Pleasant Gap, Pennsylvania 16823 (hereinafter referred to as "Assignor"), and **PAMAL BROADCASTING, LTD.**, a New York corporation with an address of 6 Johnson Road, Latham, New York, or a corporation to be designated and controlled by Pamal Broadcasting, Ltd. and/or James J. Morrell (hereinafter referred to collectively as "Assignee").

W I T N E S S E T H

WHEREAS, Assignor is the licensee of radio stations WCPT-FM (100.9) licensed to Albany, New York; and WKBE-FM (100.3) licensed to Warrensburg, New York (hereinafter referred to as the "Stations"); and

WHEREAS, Assignor operates radio stations WABY-AM (1400) licensed to Albany, New York and WKLI-FM (94.5) licensed to Ravena, New York (the "DOT Stations") pursuant to a Royalty Fee Agreement between Assignor and DOT Communications, Inc. ("DOT"); and

WHEREAS, Assignee desires to acquire certain physical assets and equipment of Assignor necessary for the operation of the Stations and the DOT Stations, and to secure an assignment of certain leases, contracts and agreements necessary for the operation of the Stations and the DOT Stations, and the licenses and other authorizations to be issued by the Federal Communications Commission (hereinafter referred to as "Commission" or "FCC") for the operation of the Stations (hereinafter referred to as "FCC Licenses"); and

WHEREAS, the FCC Licenses may not be assigned to Assignee without the prior written consent of the Commission.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

1. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) "Assignment Application" refers to the application which the parties hereto will file with the Commission, pursuant to Section 14 hereof, requesting its written consent to the assignment of the FCC Licenses from Assignor to Assignee.

(b) "Closing Date" means 7 business days from the date of the initial Commission Order of the FCC and after all of the conditions precedent to the transfer herein have been met or such other date as parties may mutually agree.

(c) "Closing Place" shall be at the offices of Assignee's counsel or counsel for Assignee's lender or such other place as parties may mutually agree.

(d) "Commission Order" means an Order of the Commission consenting to the assignment to Assignee of the FCC Licenses.

(e) "DOT Assets" means the physical assets, equipment, real property, intangible property, leases, contracts, and agreements used or held for use by Assignor in the operation of the DOT Stations.

(f) "Final Order" means a Commission Order granting the Assignment Application as to which the time for the filing of a petition for reconsideration or application for review by the full Commission and for review by the full Commission on its own motion or the filing of a request for administrative or judicial review has expired without any such filing having been made, or in the event of such filing, the Commission Order approving the Assignment Application has been reaffirmed or upheld and the time for seeking further administrative or judicial review with respect thereto has expired without any request for such further review having been filed.

(g) "Galaxy" shall mean Galaxy Communications, LP, a Delaware limited partnership which has contracted to acquire the DOT Assets from Assignee pursuant to an Asset Sale Agreement of even date herewith between Assignee and Galaxy.

2. Assets to be Conveyed: Liabilities to be Assumed. On the Closing Date at the Closing Place, Assignor shall assign, convey, transfer and deliver to Assignee or, subject to the express direction of Assignee as to the DOT Assets, directly to Galaxy:

(a) The real estate described in Schedule A, subject to the following terms and conditions, in addition to such others as are provided in this Asset Sale Agreement:

(1) The real estate consists of land, together with all buildings, structures, fixtures or other improvements thereon and all right, title and interest of Assignor in and to all appurtenances belonging thereto and in and to any streets, alleys, public ways and rights of way or easements adjacent thereto. Assignor represents that the real estate constitutes all of the real estate owned by Assignor and used in the operation of the Stations and the DOT Stations, and all buildings, structures, fixtures or other improvements thereon, whether real or personal property, are located within the physical boundaries of the real estate.

(2) Title to the real estate on the Closing Date shall be good and merchantable and in conformance with the requirements of paragraph 6(m) herein, except as set forth on Schedule A.

(3) The Assignor shall furnish the Assignee, without cost, all existing title insurance policies, searches and/or surveys possessed by Assignor.

(4) To the best of Assignor's knowledge, the real property owned by the Assignor, the buildings and improvements included among the real property, and the operations thereon and the uses made thereof are in material compliance with all, and are not in material violation of any, applicable

federal, state or local statute, ordinance, code, order, requirements, law, rule or regulation relating to environmental, occupational health or safety, building, zoning and other matters. Without limiting the generality of the foregoing, to the best of Assignor's knowledge, the Assignor and the past or present officers, employees and agents of the Assignor have generated, stored, disposed of and released hazardous waste, hazardous substances and/or oil on the real property only in material compliance with statutes, ordinances, codes, orders, requirements, laws, rules or regulations relating to environmental matters, including, without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.* (the "Conservation Act"), the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.* ("CERCLA"), the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act and the Occupational Safety and Health Act, as such statutes may be amended (collectively, the "Environmental Laws"). To the best of the Assignor's knowledge, there has been no generation, storage, disposal or release of any such hazardous waste, hazardous substances and/or oil on the real property by any other person or entity since the Assignor acquired the real property. To the best of the Assignor's knowledge, there has been no generation, storage, disposal or release of any hazardous waste, hazardous substances and/or oil on the real property by any prior owner or lessee of the real property. For the purposes of this Paragraph, "hazardous waste" and "hazardous substance" shall have the meanings set forth in the Environmental Laws. "Oil" shall be defined as petroleum, or any petroleum products, in any form. To the best of Assignor's knowledge, the real property has not been used by the Assignor at any time in such a manner as to cause a violation of or to give rise to a removal or restoration obligation under any statute, ordinance, order, decree or under the law of any state, federal, municipal or other governmental body or agency having jurisdiction over the real property, including, without limitation, the Environmental Laws or any similar law, rule, regulation, order, judgment or decree; nor to the best of the Assignor's

knowledge, has any such violation or obligation been created by the removal of any hazardous waste, hazardous substance and/or oil from the real property by the Assignor or by the disposition of such removed hazardous waste, hazardous substance and/or oil by the Assignor. The Assignor has delivered to Assignee true, complete and correct copies or results of any reports, studies or tests in the possession of or initiated by the Assignor pertaining to the existence of toxic waste and other environmental concerns on any part of the real property or concerning compliance with or liability under the Environmental Laws in the operation of the business of the Assignor on any part of the real property.

(b) The FCC Licenses listed in Schedule B attached hereto, which are all of the licenses and authorizations issued by the FCC to Assignor in connection with the operation of the Stations, including all right, title or interest in and to the call letters for the Stations.

(c) The physical assets and equipment listed in Schedule C attached hereto, free and clear of all liens, charges, and encumbrances whatsoever, which Assignor represents constitute substantially all of the physical assets and equipment used or useful in the operation of the Stations and the DOT Stations.

(d) The leases, contracts and agreements, including contracts for radio time, listed and described in Schedule D attached hereto, copies of which have been furnished to Assignee, as well as those contracts entered into between the date hereof and the Closing Date which shall have been consented to by Assignee in writing, and all contracts for sale of time on Stations and the DOT Stations for cash. Assignor represents that these leases, contracts and agreements are, except as they may be terminated, renewed, extended or modified and as others may be entered into, all in the ordinary course of business, all of the leases, contracts and agreements used or useful in the operation of the Stations and the DOT Stations. Assignee agrees to assume said obligations as listed on Schedule D. Assignor agrees, that

subject to the direction of Assignee and the consent of Galaxy, certain Schedule D obligations which relate to the DOT Stations may be assumed directly by Galaxy.

(e) Goodwill, privileges, licenses, permits, copyrights, services or trademarks and trade names, and all other intangible rights, including rights to the call letters for the Stations owned by Assignor and used or useful in the operation of the Stations and the DOT Stations, all as listed and described in Schedule E hereof.

(f) Such files, records and logs pertaining to the operation of the Stations as Assignee shall require, including all contracts assigned hereunder, provided, however, that Assignee is not purchasing and shall not be entitled to receive any of the entity records of Assignor. Assignee and Assignor shall each allow the other reasonable access to such books, records and contracts of the Stations which are not more than three (3) years old pertaining to the operation of the Stations from and after the Closing Date and any such older records pertaining to the operation of the Stations as may be readily available. Except as expressly provided in this Agreement, Assignee does not and will not assume, incur or be charged with any liabilities or obligations of Assignor of any nature whatsoever, contingent or otherwise, arising, accruing, or first becoming payable prior to or in connection with, or as a result of, the Closing.

3. Excluded Assets. It is understood and agreed that the assets being sold to Assignee do not include cash, deposits, investment securities, life insurance, or retirement plan assets or other assets set forth on Schedule F (the "Excluded Assets"). It is the representation of Assignor that the assets described in Paragraph "2" of this Agreement constitute substantially all the assets used or useful in the operation of the Stations and, with the express exception of the FCC licenses, used or useful in the operation of the DOT Stations, other than the Excluded Assets.

4. Schedules. Assignor is delivering herewith to Assignee the Schedules required by this

Agreement in a form acceptable to Assignee. Each such Schedule constitutes the joint and several representations, warranties and obligations of the Assignor and shall be accurate, true and correct as of the date of this Agreement and accurate, true and correct as of the Closing Date except as updated by Assignor in writing prior to the Closing. Each Schedule shall be accompanied by a copy of each document referred to therein. Between the date of the Agreement and the Closing Date, Assignor shall, from time to time, promptly update the Schedules so as to maintain the accuracy of the information contained therein, and shall promptly supply to Assignee copies of any new documents referenced in such Schedules.

5. Purchase Price: Method of Payment; Allocation of Purchase Price.

(a) The purchase price to be paid by Assignee to Assignor shall be the sum of Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000.00) (the "Purchase Price").

(b) The Purchase Price shall be paid by Assignee to Assignor as follows:

(1) The deposit of \$200,000.00 currently held in escrow by Assignee's counsel shall be released to Assignor at Closing by wire transfer of funds.

(2) The sum of \$5,050,000.00 at closing shall be paid by Assignee to Assignor by wire transfer of funds at Closing.

(c) If the Closing does not take place because Assignor has made a material misrepresentation in any information provided by Assignor to Assignee prior to the date of the Letter of Intent or if Assignor is in default of its obligations under this Agreement, the deposit plus interest thereon shall be returned to Assignee in accordance with the express terms of the Escrow Agreement by and between Assignor and Assignee, without in any way limiting Assignee's rights under Paragraph "17" of this Agreement. The deposit shall be refundable if the conditions precedent to closing are not met so long as Assignee has

not breached this Agreement and has complied with its obligations in a timely manner.

(d) The Purchase Price shall be allocated in accordance with the agreement between the parties for such allocation which is set forth in Schedule K hereof.

6. Assignor's Representations and Warranties. Assignor covenants, represents and warrants to Assignee that:

(a) The execution and delivery of this Agreement has been duly approved by the Members of Assignor, and this Agreement constitutes a valid and binding agreement of Assignor in accordance with its terms.

(b) Assignor is now and on the Closing Date will be a limited liability company duly organized and validly existing under the laws of the State of Delaware and qualified to do business in, and in good standing under the laws of the State of New York. Complete and correct copies of the articles of organization and operating agreement of Assignor as now in effect are set forth on Schedule G.

(c) Assignor has complete and unrestricted power to sell, transfer and deliver all assets to be transferred hereunder and instruments to be executed to vest effectively in Assignee good and merchantable title to said assets, subject to approval of its lender and the FCC, evidence of which will be provided at Closing.

(d) Prior to the Closing Assignor will be the holder of regular and unconditional FCC Licenses issued by the Commission for the operation of the Stations described in Schedule B hereof expiring on June 1, 2006, and all pertinent auxiliary Stations, which licenses will not be subject to any material reporting conditions. Assignor has all permits, licenses, franchises and other authorizations necessary to, and has complied with all laws applicable to, the conduct of the Stations' business in the manner and in the areas in which such business is presently being conducted and all such permits,

licenses, franchises and authorizations are valid and in full force and effect. Assignor has not engaged in any activity which would cause revocation or suspension of any such permits, licenses, franchises or authorizations, and no complaint, action or proceeding looking to or contemplating the revocation or suspension of any thereof is pending or, to the knowledge of Assignor, threatened. Further, on the Closing Date, the FCC Licenses will be in good standing and have been renewed, if applicable, without adverse condition, the Stations will have full operating authority under their licenses and permits, all FCC requirements for such authority will have been met, and there will be no uncorrected FCC violations, notices or unsatisfied FCC inquiries. Assignor and Assignee shall each perform all acts necessary for securing the right to assign the FCC licenses and construction permit set forth herein to Assignee prior to Closing. Each party shall pay their own attorneys and other related expenses for the assignment process, except that the parties hereto shall equally share the FCC filing fee expenses. The parties shall both cooperate fully in the efforts of the other to satisfy this condition to closing.

(e) Schedule C hereof contains a complete and accurate list, as of the date hereof, of all tangible personal property or interest therein owned by Assignor and used or useful in the operation of the Stations and the DOT Stations and the conduct of Assignor's business, except as disclosed in such Schedule. The Stations' Assets conveyed by Assignor at the Closing will, on the Closing Date, be in as good condition and repair (ordinary wear and tear excepted) as on the date of inspection by Assignee and will be sufficient to permit the owner thereof, immediately following the Closing, to operate and conduct the business of the Stations in material compliance with all FCC laws and regulations and as conducted up to the Closing Date.

(f) Between the date hereof and the Closing Date, Assignor will continue to operate the Stations in the usual and ordinary course of business, in all material respects in material conformity with the

FCC Licenses, the Communications Act of 1934, as amended, and the rules and regulations of the Commission and in substantial conformity with all other applicable laws, ordinances, regulations, rules or orders.

(g) On the Closing Date, the inventories of Assignor for spare parts and tubes for the technical operating equipment of the Stations shall be at the levels normally maintained by Assignor and consistent with the inventory of spare parts listed in Schedule C hereof.

(h) Between the date hereof and the Closing Date, Assignor will not sell or agree to sell or otherwise dispose of any of its assets listed on Schedule C other than dispositions in ordinary usage and as required for replacements thereof. Assignor shall replace all assets disposed of with like assets.

(i) All of the assets used or useful in the operation of the Stations which are of an insurable character are insured and will remain insured between the date hereof and the Closing Date. Copies of the pertinent insurance policies are included in Schedule H hereof.

(j) On the Closing Date Assignor will have good, marketable and valid title to all of the physical assets and equipment as listed in Schedule C, together with all necessary additions thereto or replacements thereof, free and clear of all liens, charges, and encumbrances whatsoever.

(k) Except as set forth in Schedule D,

(1) all contracts, agreements, plans, leases, permits, franchises, authorizations and licenses affecting or relating to the operation of the Stations and the DOT Stations are valid and binding on Assignor and to the knowledge of Assignor, binding on other parties thereto in all respects in accordance with their terms and are in full force and effect;

(2) Neither Assignor nor any other party to any such contract, agreement, plan, lease or license is in material default in any respect under the terms of any such contract, agreement, plan,

lease or license.

(3) The consummation of this transaction will not result in the termination of any contract, agreement, permit, plan, franchise, lease, authorization or license, and will not bring into operation any other provision thereof nor render Assignor in breach or default thereunder.

(4) To the extent that any lease, contract or agreement requires the consent of any other party or person to its assignment, Assignor will secure such consent to the assignment to the Assignee hereunder prior to the Closing Date.

(l) Between the date hereof and the Closing Date, Assignee or representatives of Assignee shall have reasonable access upon reasonable notice and during normal business hours to the properties, titles, contracts, books and records pertaining to the operation of the Stations, provided, however, that such access and examination by Assignee or its representatives shall be conducted in a manner so as not to disrupt the usual business activities of the Stations. In particular, Assignor agrees to provide Assignee and its authorized representatives free and full access to the Stations upon three (3) days' notice to Assignor's designated agent. From the date hereof to the Closing Date, Assignor agrees to make a designee available on three (3) days' notice to Assignor by Assignee for the purpose of permitting Assignee access to the Stations as contemplated hereunder.

(m) Assignor has now and on the Closing Date will have good, marketable, and merchantable title to the real estate described in Schedule A and in conformity with the requirements of the provisions of this Agreement. Assignor on the Closing Date will be the owner in fee simple of the real estate described in Schedule A hereof free and clear of all liens and encumbrances, except as set forth on Schedule A. There shall be no encroachments, adverse uses, easements, or restrictions, except for any now of record, none of which is material, and none of which shall interfere with Assignee's or Galaxy's

intended use of the real estate. Except as disclosed on Schedule A, on the Closing Date there will be no leases or rental agreements connected with the occupancy or operation of the real estate. Except as disclosed on Schedules A and D, no condemnation of any of the real estate shall have occurred; there shall be no existing notice covering future condemnation, and Assignor shall have no reason to believe that the real estate will be condemned, or that its present use in connection with the Stations is threatened in any way. The real estate does not violate any provisions of any applicable building codes, fire regulations, zoning regulations, building restrictions, or other governmental ordinances, orders, or regulations, and Assignor will convey the real estate free of any such violations. The real estate is so zoned as to permit its continued commercial use for the operation of the facilities of the Stations. The transmitting facilities of the Stations and the DOT Stations, including the towers, guy lines, anchors, and all other appurtenances, are entirely located within the confines of the real estate. All utilities required for the operation of the Stations either enter the property through adjoining public streets, or, if they pass through adjoining private land, they do so in accordance with valid public easements. The real estate abuts one or more public rights-of-way which provide Assignee direct and unlimited access thereto. To the best knowledge of Assignor, there are not now and on the Closing Date there will be no notices of violation of law or ordinances, orders or requirements, noted in or issued by any department of the State of New York or the County or local governments, or prosecutions in any courts on account thereof, affecting the real estate in any material respect.

(n) Except as disclosed in Schedule I hereof, there is as of the date hereof no suit, action or legal administrative arbitration or other proceeding or governmental investigation pending or to the best of Assignor's knowledge, threatened which individually or in the aggregate adversely affects the title to or interest of Assignor in any of the Stations' or the DOT Stations' assets or the operation of the Stations or the DOT Stations or the conduct of their business.

(o) There are no strikes or work stoppages pending or to the best of Assignor's knowledge, threatened against the Assignor with respect to the Stations or the DOT Stations. As of the Closing Date, Assignor will have paid to or on behalf of the Station's and the DOT Stations' employees all wages and salaries earned, including accrued vacation and commissions through to the end of the day preceding the Closing Date. Assignor shall be responsible for and shall indemnify and hold Assignee harmless from all liabilities and obligations for any liabilities for any employees of Assignor as a result of their employment relationship with Assignor. Revenues earned and expenses incurred between the date hereof and the Closing Date are attributable to Assignor. Assignor represents that there are no employment agreements, no policy statements, no collective bargaining agreements, no deferred compensation, pension, profit-sharing or retirement plans or agreements for which Assignee shall have any liability after the Closing Date. Assignor shall indemnify and hold Assignee harmless from all such liabilities and obligations, except for obligations incurred by actions of the Assignee. Assignor has no commitment to create any of the above-referenced plans nor will it enter into any such commitments or arrangements, or create any such plans while this Agreement is in effect. Assignor shall terminate the employment of all employees of the Stations and the DOT Stations effective 11:59 p.m. on the day before the Closing.

(p) All material applications, reports and other disclosures required by the Commission with respect to the Stations and the DOT Stations have been duly filed or will have been timely filed by the Closing.

(q) Schedule J includes the quarterly cash flow statements of Assignor with respect to the Stations and the DOT Stations for the first quarter of 2001 to date and the cash flow statements for the year of 2000. These statements, all of which have been delivered to Assignee, present fairly the results of Assignor's operations for such periods and show accurate revenues and operating expenses for such

periods. Between the date of this Agreement and the Closing Date, Assignor will as they become available, promptly deliver to Assignee monthly interim cash flow statements respecting the Stations' and the DOT Stations' gross revenues and operating expenses. The interim cash flow statements to be delivered by Assignor to Assignee shall present fairly the results of its operations for such periods.

7. Assignee's Representations and Warranties. Assignee covenants, represents and warrants to Assignor that:

(a) The execution and delivery of this Agreement have been duly approved by the Board of Directors of Assignee, and this Agreement constitutes a valid and binding agreement of Assignee in accordance with its terms.

(b) Assignee Pamal Broadcasting, Ltd. is now and on the Closing Date will be a corporation duly organized and validly existing under the laws of the State of New York, and on the Closing Date shall be qualified to do business in, and in good standing under, the laws of the State of New York. Any corporation or other entity designated by James J. Morrell shall have the necessary qualifications to do business in the State of New York. Complete and correct copies of the certificate of incorporation, amendments to the certificate of incorporation, and the by-laws of Assignee as now in effect are set forth on Schedule G.

(c) Assignee is now and on the Closing Date will be legally, financially, technically and otherwise qualified to own and operate the Stations under the Communications Act of 1934, as amended, and the rules and regulations of the Commission. Assignee knows of no reason why FCC approval of the transfer of licenses will not be granted. Assignee is not presently required to obtain an exemption or waiver of any FCC rule, regulation or policy in order to acquire the FCC Licenses or to operate the Stations.

(d) The execution, delivery and performance of this Agreement by Assignee is not

conditioned on or prohibited by, and will not conflict with or result in the breach of the terms, conditions or provisions of, or constitute a default under, its Certificate of Incorporation or By-Laws, or any other agreement or instrument to which it is a party or otherwise subject.

8. Affirmative Covenants of Assignor. Between the date of this Agreement and the Closing Date, Assignor will:

(a) Commission Compliance. At all times operate the Stations and the DOT Stations under the terms of their licenses, in the usual and ordinary course of business, and in material conformity in all respects with all applicable laws, ordinances, regulations, rules and orders; and will file with the Commission all applications and other documents required to be filed in connection with the operation of the Stations and the DOT Stations.

(b) Conduct of Business. Assignor will use its usual and customary efforts to assure the preservation of the business organization and operating staffs of the Stations and the DOT Stations and the maintenance of the audience and business reputation in the communities and areas served by the Stations, and will conduct the business and operation of the Stations and the DOT Stations in a manner consistent with the operation of the Stations and the DOT Stations prior to the date hereof, including, without limitation, its present sales, promotion, bookkeeping and record keeping practices and policies. Without the prior written consent of Assignee, except as otherwise required herein, Assignor shall not:

(1) encumber or grant any security interest in or permit any new lien not existing at the date hereof on any of the Stations' assets or the DOT Stations' assets;

(2) grant or promise to grant to any of its employees any new or increased salary or other employment benefit, except in accordance with Assignor's normal or ordinary practices;

(3) terminate the employment of or furlough any key employee, salesperson or

consultant of the Stations, except for a substantial and material violation of the terms of such employment;

(4) enter into any new time sales agreements for the Stations except for cash and in the ordinary course of business in accordance with normal business practices of the Stations or the DOT Stations for the period in question;

(5) renegotiate, modify, amend or terminate any agreement listed on Schedule D;

(6) except as provided in subparagraph "(4)" above or otherwise in the normal course of Assignor's business, enter into any new contract, agreement or understanding for the Stations or the DOT Stations to be assumed by Assignee; Assignor shall report the fact of the resignation of any key employee, salesperson or consultant of the Stations or the DOT Stations to Assignee within five (5) business days of any such event.

(c) Access to Information. Assignor shall provide Assignee and representatives of Assignee with reasonable access during normal business hours to inspect the properties, titles, contracts, books, files, logs and records of the Stations and the DOT Stations insofar as Assignee deems such access and inspection necessary or desirable, and furnish such additional information concerning the Stations and the DOT Stations as Assignee may from time to time reasonably request, but such access and inspection shall not affect the representations, warranties and covenants of Assignor or any other party contained or provided for herein or Assignee's rights to terminate this Agreement as provided in Paragraphs "10" or "17", or Assignee's obligation to close as provided in Paragraph "11". In the event Assignee discovers in its investigation that a representation, warranty or covenant of the Assignor is untrue, it will promptly disclose the same to the Assignor. Assignor shall give Assignee prompt notice of the occurrence of any of the following: (1) any material event of loss; (2) the commencement of any proceeding or litigation, in law or equity, or before the FCC or any other commission, agency or administrative body or authority,

which involves any of the FCC licenses herein; (3) any known material violation by Assignor of any material federal, state or local law, statute, ordinance, rule or regulation; and/or (4) any notice of material breach, default, claimed default, or termination of any material contract or lease.

(d) Maintenance of Assets. Maintain the Stations' and the DOT Stations' assets in their present operating condition, repair and order consistent with Commission rules and regulations, reasonable wear and tear in ordinary usage excepted, and maintain the inventories of spare parts and tubes for the technical operating equipment of the Stations and the DOT Stations at customary levels.

(e) Barter Obligations. Without the prior written approvals of Assignee, not enter into any new barter or trade agreements.

(f) Taxes. Pay or cause to be paid or provided for all income, property, sales, use, franchise, excise, social security, withholding, workers' compensation and unemployment insurance taxes and all other taxes of or relating to the Stations, their assets and employees, required to be paid to it, county, state, federal and other governmental units for all periods preceding the Closing Date.

9. Risk of Loss. The risk of any loss, damage or destruction to the real estate and any of the Stations' and the DOT Stations' assets to be transferred hereunder from fire or other casualty or cause shall be borne by Assignor at all times prior to the Closing hereunder. Upon the occurrence of any loss or damage to any property or assets to be transferred hereunder as a result of fire, casualty or other causes prior to Closing, Assignor shall notify Assignee of same in writing immediately stating with particularity the extent of such loss or damage incurred, the cause thereof if known and the extent to which restoration, replacement and repair of the real estate and/or the Stations' assets lost or destroyed will be reimbursed under any insurance policy with respect thereto. Subject to the provisions hereof, in the event the loss or damage exceeds Twenty Five Thousand Dollars (\$25,000.00), or adversely affects the operation of the

Stations in the ordinary course to a material degree, or the property cannot be substantially repaired or restored within thirty (30) days, Assignee shall have the option (but not the obligation), exercisable within ten (10) days after receipt of such notice from Assignor, to:

(a) Postpone the Closing Date until such time as the property has been completely repaired, replaced or restored, unless the same cannot be reasonably effected within thirty (30) days of notification, in which event Assignee may elect to terminate the Agreement on seven (7) days' written notice and the deposits, together with accrued interest thereon, shall be returned to Assignee.

(b) Elect to consummate the Closing and accept the property in its "then" condition, in which event Assignor shall assign all rights under any insurance claim covering the loss and pay over any proceeds under any such insurance policy theretofore received by it with respect thereto and an amount equal to the deductible set forth in the applicable insurance policy or policies.

10. Broadcast Transmission of the Stations Prior to Closing. If, prior to the Closing Date, any event not constituting a default occurs which prevents the broadcast transmission of the Stations or the DOT Stations with full licensed power and antenna height as described in the FCC Licenses and in the manner it has heretofore been operating, the Assignor shall give prompt written notice thereof to Assignee. If such facilities are not restored so that operation is resumed with full licensed power and antenna height within seven (7) days of such event, or, in the case of more than one event, the aggregate number of days preceding such restorations from all such events would be more than seven (7) days, Assignee shall have the right, by giving written notice to Assignor of its election to terminate this Agreement forthwith without any further obligations hereunder on the part of any party. In the event this Agreement is terminated in accordance with this Paragraph, the deposit, together with accrued interest thereon, shall be returned to Assignee.

11. Conditions Precedent to Assignee's Obligations. The obligation of Assignee to consummate the transactions contemplated hereby is subject to the satisfaction at or prior to the Closing of the following:

(a) Commission approval. The Commission shall by a Commission Order have granted the Assignment Application without any condition that would have an adverse effect upon Assignee's operation of either of the Stations. Assignee may, at its sole election, elect to waive this condition upon notice to Assignor.

(b) Representations, Warranties and Covenants. The representations, warranties and covenants of the Assignor to the extent stated herein shall be true and correct in all material respects at and as of the Closing Date as though made at and as of the Closing Date and shall survive the Closing and extend for the period provided in Paragraph "13(b)".

(c) Performance. Assignor shall have substantially met all conditions and performed and complied with all agreements, obligations, covenants and conditions required by this Agreement to be met, performed or complied with by it prior to or at the Closing.

(d) Commission authorizations. On the Closing Date, Assignor shall be the holder of the FCC Licenses issued and outstanding for the operation of the Stations with expiration date of June 1, 2006, without any material adverse condition. No proceedings shall be pending or threatened which may result in revocation, cancellation, suspension, or a modification of any such authorizations, and the Stations and the DOT Stations shall be conducting regular and usual broadcast operations and transmissions.

(e) Certification. Assignor shall have furnished or caused to be furnished to Assignee on the Closing Date a certificate executed by the President and another officer of Assignor stating that the representations, warranties and covenants of Assignor contained in this Agreement are true and correct on

and as of the Closing Date, and that all of the covenants required by this Agreement to be performed by Assignor on or prior to the Closing Date have been performed.

(f) Consents. Assignor shall have obtained all consents of other parties to the leases, agreements, licenses and permits necessary to permit the consummation of this transaction and to permit Assignee to enjoy, subsequent to the Closing Date, all benefits and rights under those agreements, leases, licenses and permits which it has agreed to accept, including, without limitation, the following: any tower lease or studio lease necessary and currently used for the operation of the Stations; and any tower or studio lease necessary and currently used for the operation of radio stations WABY-AM and WKLI-FM which shall be material to Assignee's obligation to close on this Agreement.

(g) Phase I Environmental Evaluation. Assignee shall have the option to conduct Phase I testing of the owned and leased real estate which is the subject of this Agreement to be completed by Assignee, at Assignee's sole expense, within 60 days from the date hereof. In the event that the Phase I testing reveals a material violation contrary to the affirmative representations of the Assignor, Assignee may: (1) waive compliance with the Assignor's representation in this regard; or, (2) in the event that Assignor elects not to remediate the real property at its sole expense in a reasonable period of time, Assignee may terminate this Agreement. Assignor's obligation to remediate the property shall not require expenditure of a sum in excess of \$100,000.00. Assignee may permit Galaxy to conduct such Phase I testing on its behalf relative to the DOT Stations.

12. Conditions Precedent to Assignor's Obligations. The obligations of Assignor to consummate the transaction contemplated hereby are subject to satisfaction at or prior to the Closing of the following:

(a) Representations, Warranties and Covenants. The representations, warranties and

covenants of the Assignee contained in this Agreement to the extent stated herein shall be true and correct in all material respects at and as of the Closing Date and shall survive the Closing and extend for the period provided in Paragraph "13(a)".

(b) Performance. Assignee shall have met all conditions and conformed and complied with all agreements, obligations and conditions required by this Agreement to be met, performed or complied with by it prior to or at the Closing.

(c) Certification. Assignee shall have furnished or caused to be furnished to Assignor on the Closing Date a certificate executed by the President and another officer of Assignee stating that the representations, warranties and covenants of Assignee contained in this Agreement are, to the extent stated herein, true and correct on and as of the Closing Date, and that all of the covenants required by this Agreement to be performed by Assignee on or prior to the Closing Date have been performed.

(d) Related Closing. Assignor shall close simultaneously under the stock purchase agreement for the sale of the stock of DOT Communications, Inc.

(e) Commission Consent. The initial consent of the FCC shall have been issued.

13. Survival of Representations and Warranties; Rights of Indemnification.

(a) All covenants, agreements, representations and warranties of the parties under this Agreement, in any Schedule or certificate or other document delivered pursuant hereto, (i) shall remain effective regardless of any investigation at any time made by or on behalf of Assignee or of any information Assignee may have with respect thereof; (ii) shall survive for a period of one (1) year beyond the Closing Date.

(b) It is understood and agreed that Assignee does not assume, and shall not be obligated to pay, any liabilities of Assignor under the terms of this Agreement or otherwise, and shall not be obligated to perform any obligations of Assignor of any kind or manner, except by reason of leases, contracts and agreements expressly assigned to and assumed by Assignee, and with respect thereto only such obligations which arise and accrue subsequent to the Closing hereunder. Assignor agrees to indemnify and hold Assignee and its respective successors and assigns (collectively, "Indemnified Parties" and, individually, "Indemnified Party"), harmless from and against:

(1) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to the ownership or operation of the Stations or the Stations' assets prior to the Closing hereunder including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the Closing hereunder under any lease, contract, agreement, or instrument assumed by any Indemnified Party hereunder; and

(2) Any and all damage or deficiency resulting from any misrepresentation, breach of warranty, or material failure to perform any agreement on the part of the Assignor under this Agreement arising out of events occurring prior to the Closing, or from any misrepresentation in or omission from any certificate or other instrument furnished to any Indemnified Party pursuant to this Agreement or in connection with any of the transaction contemplated hereby; and

(3) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees, incurred by any Indemnified Party as a result of Assignor's failure or refusal to compromise or defend any claim incident to, or otherwise to comply with, any of the foregoing provisions.

(c) If any claim or liability shall be asserted against any Indemnified Party which would give rise to a claim by such Indemnified Party against Assignor for indemnification under the provisions of this Paragraph, such Indemnified Party shall promptly notify Assignor in writing of the same, and Assignor shall defend such Indemnified Party at Assignor's expense and, in connection therewith, shall be entitled at its own expense to compromise or defend any such claim. Assignee agrees to indemnify and hold Assignor and its respective successors and assigns (collectively, "Indemnified Parties" and, individually, "Indemnified Party"), harmless from and against:

(1) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to the ownership or operation of the Stations or the Stations' assets after the Closing hereunder including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed after the Closing hereunder under any lease, contract, agreement, or instrument assumed by Assignee hereunder; and

(2) Any and all damage or deficiency resulting from any misrepresentation, breach of warranty, or material failure to perform any agreement on the part of the Assignee under this Agreement

arising out of events occurring after the Closing, or from any misrepresentation in or omission from any certificate or other instrument furnished to Assignor pursuant to this Agreement or in connection with any of the transaction contemplated hereby; and

(3) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees, incurred by any Indemnified Party as a result of Assignee's failure or refusal to compromise or defend any claim incident to, or otherwise to comply with, any of the foregoing provisions.

(d) If any claim or liability shall be asserted against any Indemnified Party which would give rise to a claim by such Indemnified Party against Assignee for indemnification under the provisions of this Paragraph, such Indemnified Party shall promptly notify Assignee in writing of the same, and Assignee shall defend such Indemnified Party at Assignee's expense and, in connection therewith, shall be entitled at its own expense to compromise or defend any such claim.

14. Application for Consent and Approval of Regulatory Bodies. Within seven (7) days of the date of this Agreement, Assignor and Assignee shall file the Assignment Application with the Commission. The parties will take all steps as may be necessary or proper to secure the expeditious and diligent FCC processing of the Assignment Application to favorable conclusion.

15. FCC Consent, Control of the Stations, Recission. This Agreement shall not be consummated until after the Commission has given its written consent and approval to the Assignment Application. Between the date of this Agreement and the Closing Date, Assignee, its employees or agents shall not directly or indirectly control, supervise, or direct or attempt to control, supervise, or direct the operation of the Stations.

In the event that the Commission's Order granting the Assignment Application has not been issued (either unconditionally or subject to conditions which are acceptable to the party against whom such conditions are imposed) within nine (9) months from the date hereof, either Assignee or Assignor may thereafter terminate this Agreement upon five (5) days' written notice to the other, provided that the party desiring to terminate this Agreement is not responsible for the delay in obtaining Commission approval or otherwise in default under this Agreement.

If the Closing occurs prior to the FCC Consent becoming a Final Order (as hereinafter defined), and

prior to becoming a Final Order the FCC Consent is reversed or otherwise set aside, and there is an order of the FCC (or court of competent jurisdiction) requiring the re-assignment of control of the Station Licenses to Assignor, then Assignor and Assignee agree that the purchase and sale and assignments contemplated by this Agreement shall be rescinded. In such event, Assignee shall reconvey and reassign to Assignee the Station Assets and obligations, and Assignor shall repay to Assignee the Purchase Price and reassume the obligations assigned and assumed by Assignee at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) calendar days of such order (or, if earlier, within the time required by such order). In connection therewith, Assignor and Assignee shall each execute such documents and make such payments as are reasonably necessary to give effect to such rescission. Seller's and Buyer's obligations under this Section shall survive the Closing. "Final Order" means an order or action of the Commission as to which, under FCC Rules, the time for filing a request for administrative or judicial review, or for instituting administrative review sua sponte, shall have expired without any such filing having been made or notice of such review having been issued; or, in the event of such filing or review sua sponte, as to which such filing or review shall have been disposed of favorably to the grant and the time for seeking further relief with respect thereto under the applicable FCC or court rules shall have expired without any request for such further relief having been filed.

16. Termination of Agreement: Default by Assignee. If at any time Assignee is in default hereunder and such default is not cured within thirty (30) days after written notice to that effect by Assignor, or if Assignee refuses or fails to close after the conditions to its closing have been satisfied, the Assignor not being in breach of its obligations, the entire amount of deposits referred to in Paragraph "5" above, together with interest shall be paid over to Assignor. The deposits shall constitute full and complete liquidated damages. It is understood that said sums shall constitute full payment for any and all damages incurred by Assignor by reason of Assignee's failure to close this Agreement. The parties acknowledge that the damages actually suffered by Assignor would be difficult to determine, but that the amount of the deposits is reasonable compensation to Assignor in light of the damages anticipated to be suffered by the Assignor in such event.

17. Termination of Agreement: Default by Assignor. If at any time Assignor is in material default hereunder and such default is not cured within thirty (30) days after written notice to that effect from

Assignee, or if Assignor fails or refuses to close after the conditions to its Closing have been satisfied, Assignee shall have the option to:

(a) Terminate this Agreement and sue for damages, and/or (b) Bring an action to enforce the terms of this Agreement by decree of specific performance, it being agreed that the property to be transferred hereunder is unique and not readily available in the open market.

18. Closing Documents. On the Closing Date at the Closing Place:

(a) Assignor shall execute and/or deliver or cause to be delivered to Assignee:

(1) One or more bills of sale conveying to Assignee all of the tangible personal property to be acquired by Assignee hereunder.

(2) An assignment assigning to Assignee the FCC Licenses.

(3) An assignment assigning to Assignee the leases, contracts and agreements to be assigned to and which Assignee has agreed at its option to assume along with all requisite third party consents.

(4) Such other assignments, bills of sale or other instruments of conveyance as may be reasonably required by Assignee to effectuate the assignment and transfer to Assignee of the assets of Assignor to be assigned to Assignee hereunder as well as such other documents or instruments as may be reasonably required by Assignor, both before and after the Closing Date, to effectuate the transaction herein contemplated.

(5) A copy of resolution of Assignor's Board of Directors, certified by its Secretary, authorizing the execution, delivery and performance of this Agreement.

(6) General Warranty Deeds or Bargain and Sale Deed with lien covenants conveying the real estate described in Schedule A in the same form of deed by which it was acquired. Assignee shall obtain, at its cost, title insurance and UCC searches.

(7) A favorable opinion of counsel for Assignor, dated as of the Closing Date, to the effect that:

(i) The execution and delivery of this Agreement have been duly approved by the Board of Directors of Assignor, and this Agreement constitutes a valid and binding agreement and obligation of Assignee in accordance with its terms.

(ii) Assignor is a limited liability company duly organized and validly existing under the laws of the State of Delaware and is qualified to do business in, and is in good standing under the laws of the State of New York.

(iii) The execution, delivery and performance of this Agreement by Assignor are not conditioned on or prohibited by, and do not conflict with or result in the breach of the terms, conditions or provisions of, or constitute a default under, its articles of organization or its operating agreement or any other agreement or instrument to which it is a party or otherwise subject and that to counsel's knowledge there is no litigation or other proceeding pending against Assignor which is material to the consummation of the transaction herein.

(8) A favorable opinion of FCC Counsel for Assignor, dated as of the Closing Date, to the effect that Assignee is the holder of regular and unconditional FCC Licenses issued by the Commission for the operation of the Stations described in Schedule B hereof and the DOT Stations for the current license term and all pertinent auxiliary stations, which licenses are not subject to any reporting conditions. Assignee has all permits, licenses, franchises and other authorizations necessary to operate the Stations and the DOT Stations and to the best of such counsel's knowledge, without independent investigation to conduct the Stations' and the DOT Stations business in the manner and in the areas in which such business is presently being conducted, and all such permits, licenses, franchises and authorizations are valid and in full force and effect. The Stations have full operating authority under their licenses and permits, all FCC requirements for such authority are met and to the best of such counsel's knowledge, without independent investigation, there are no uncorrected FCC violations, notices or unsatisfied FCC inquiries.

(9) Assignor's certificate as specified in Paragraph II(e).

(b) Assignee shall execute and/or deliver or cause to be delivered to Assignor:

(1) The Purchase Price.

(2) A copy of a resolution of Assignee's Board of Directors, certified by its Secretary, authorizing the execution, delivery and performance of this Agreement.

(3) The written undertaking of Assignee to assume, discharge and satisfy the leases, contracts and agreements assigned to Assignee pursuant to this Agreement and which Assignee

has agreed at its option to assume.

(4) Such other documents or instruments as may be reasonably required by Assignor, both before and after the Closing Date, to effectuate the transaction herein contemplated.

(5) A favorable opinion of counsel for Assignee dated as of the Closing Date, to the effect that:

(i) The execution and delivery of this Agreement have been duly approved by the Board of Directors of Assignee, and this Agreement constitutes a valid and binding agreement and obligation of Assignee in accordance with its terms.

(ii) Assignee is a corporation duly organized and validly existing under the laws of the State of New York, and is qualified to do business in, and is in good standing under the laws of the State of New York.

(iii) The execution, delivery and performance of this Agreement by Assignee are not conditioned on or prohibited by, and do not conflict with or result in the breach of the terms, conditions or provisions of, or constitute a default under, its Certificate of Incorporation or By-Laws, or any other agreement or instrument to which it is a party or otherwise subject.

19. Expenses. Assignee shall pay all sales taxes. The parties shall pay in even shares the real estate transfer taxes and other similar charges incurred in connection with the transfers contemplated by this Agreement. Real estate taxes shall be prorated between the parties as provided in Paragraph "21" as of the Closing Date. Assignor and Assignee shall equally pay any Assignment Application Filing Fee and any Commission Grant Fee. The parties shall evenly divide the cost of UCC searches, lien searches, and title searches, but not title insurance. All other expenses incurred in connection with this transaction shall be borne by the party incurring the same.

20. Brokerage. The parties agree that Frank Boyle Associates is the broker involved in the sale and purchase of the Stations and the assets of the DOT Stations herein("the Broker"). The Broker shall be paid by Assignor in conformance with a written agreement between the Broker and the Assignor. Assignee has not dealt with any broker other than the Broker and will hold Assignor harmless for any claims by any broker inconsistent with this representation by Assignee.

21. Proration. All ad valorem, real estate and other property taxes, including special

assessments, on the acquired assets, shall be prorated as of the Closing Date. Assignor will be responsible for payment or otherwise satisfying at or prior to Closing all claims for wages, commissions, bonuses, vacation pay, or sick leave pay which have accrued prior to the Closing Date.

22. Bulk Sales Law. Assignor shall indemnify Assignee against any claims by creditors under the provisions of any applicable Bulk Sales Law.

23. Assignment of FCC Licenses. Assignee may, at its sole election, request that the FCC licenses be assigned to its wholly owned subsidiary, 6 Johnson Road Licenses, Inc. at the time of closing.

24. Accounts Receivable . Assignee shall collect the Accounts Receivable which have accrued as of the Closing Date from the operation of the Stations for a period of six months after the Closing Date. At the end of the six month collection period, Assignee shall pay over to Assignor 75% of all sums collected as such Accounts Receivable. All commissions shall be the responsibility of Assignee. After that date, any remaining Accounts Receivable which have not been collected shall be the property of Assignor and Assignee shall have no further obligation to collect same, unless Assignee and Assignor otherwise agree. Assignor shall provide Assignee with all information and documentation reasonably necessary to collect the Accounts Receivable.

25. Notices. All necessary notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be deemed duly given if and when mailed by certified or registered mail, return receipt requested, postage prepaid addressed as follows:

If to ASSIGNOR: Robert E. Tudek, Chairman
Tele-Media Company of Eastern New York, L.L.C.
320 West College Avenue
Pleasant Gap, Pennsylvania 16823

With a Copy to: Allen C. Jacobson, Esq.
Senior V.P. of Legal Affairs
Tele-Media Company of Eastern New York, L.L.C.
320 West College Avenue
Pleasant Gap, Pennsylvania 16823

If to ASSIGNEE: Mr. James J. Morrell
Pamal Broadcasting, Ltd.
6 Johnson Road
Latham, New York 12110

With a Copy to: Robert L. Adams, Esq.
Adams, Dayter & Sheehan, LLP
39 North Pearl Street

or such other addresses as the parties may from time to time designate.

26. Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

27. Other Documents. The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

28. Survival of Representations. The provisions hereof which by their terms are to be performed or observed after the Closing Date and the several representations and warranties of the parties herein contained shall survive the Closing Date hereunder for the periods specified in Paragraph "13(a)".

29. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of New York.

30. Counterparts. This Agreement may be signed by any number of counterparts by facsimile signature with the same effect as if the signature of each such counterpart were upon the same instrument.

31. Headings. The headings of the paragraphs of this Agreement are inserted as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any paragraph hereof.

32. Entire Agreement. This Agreement is the only agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

(Signatures on Following Page)

ASSIGNOR:

**TELE-MEDIA COMPANY
OF EASTERN NEW YORK, L.L.C.**

By: Tele-Media Corporation of
Delaware as Manager

By:
Title: Vice President

ASSIGNEE:

PAMAL BROADCASTING, LTD.

By: John VanDenburgh
Title: Secretary/Treasurer

[SIGNATURE PAGE TO ASSET SALE AGREEMENT]