

ORIGINAL

ASSET PURCHASE AGREEMENT

by and among

MEGA COMMUNICATIONS OF ALLENTOWN, L.L.C.,

MEGA COMMUNICATIONS OF ALLENTOWN LICENSEE, L.L.C.,

NASSAU BROADCASTING I, LLC

and

NASSAU BROADCASTING II, LLC

for the Sale and Purchase of

Station WTKZ(AM), Allentown, Pennsylvania

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of this 7th day of July, 2004, by and among Mega Communications of Allentown, L.L.C. and Mega Communications of Allentown Licensee, L.L.C., each a limited liability company organized under the laws of the State of Delaware (together, "Seller"), and Nassau Broadcasting I, LLC and Nassau Broadcasting II, LLC, each a limited liability company organized under the laws of the State of Delaware (together, "Buyer").

WITNESSETH:

WHEREAS, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for the operation of radio station WTKZ(AM), Allentown, Pennsylvania (the "Station"); and

WHEREAS, Seller owns or leases and desires to sell and/or assign, and Buyer desires to purchase and/or assume, certain of the assets and property used in the operation of the Station.

WHEREAS, during a period prior to the Closing Date (as defined in Section 9.1), Buyer wishes to supply programming and marketing services to the Station, and Seller wishes to receive such services, pursuant to the terms and conditions of a Local Marketing Agreement to be entered into between Buyer and Seller as of the date hereof.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

SECTION 1
ASSETS TO BE SOLD

1.1. On the Closing Date, Seller shall sell, assign, transfer, convey, set over and deliver to Buyer, and Buyer shall purchase, assume and/or accept assignment of the following (hereinafter collectively the "Assets"):

1.1.1. **Authorizations.** All licenses, permits and authorizations issued or granted by the Commission for the operation of, or used in connection with, the operation of the Station, and listed in Schedule 1.1.1 (hereinafter the "Commission Authorizations").

1.1.2. **Real Property.** All of Seller's rights in and to the land, buildings, improvements and other real property used in connection with the operation of the Station's studio and tower facilities and listed in Schedule 1.1.2, including (i) Lease and License, dated September 13, 1996, between Lehigh Valley Broadcasting Associates, Inc. and Mega Communications of Allentown, L.L.C., successor by assignment to The Holt Corporation of Pennsylvania, Inc. and (ii) Commercial Lease Agreement, dated September 23, 1993 (along with Addendums dated November 10, 1998 and September 23, 1993), between Hanover Plaza Associates and Mega Communications of Allentown, L.L.C. , as successor by assignment to The Holt Corporation of Pennsylvania, Inc. (collectively, the "Lease Agreements") (hereinafter the "Real Property").

1.1.3. **Tangible Personal Property.** All of Seller's rights in and to the fixed and tangible personal property used in the operation of the Station and listed in Schedule 1.1.3, together with replacements thereof, additions and alterations thereto and substitutions therefor,

made between the date hereof and the Closing Date (hereinafter collectively the "Tangible Personal Property").

1.1.4. **Business Records.** Engineering records relating exclusively to the Commission Authorizations, the Real Property, the Tangible Personal Property and the Lease Agreements (hereinafter collectively "Business Records").

1.1.5. **Contracts.** The leases and other agreements identified in Schedule 1.1.5 (the "Contracts").

1.2. **Excluded Assets.** The Assets shall not include the following assets along with all rights, title and interest therein which shall be referred to as the "Excluded Assets":

1.2.1. All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, treasury bills, other marketable securities on hand and/or in banks and the Seller's accounts receivable;

1.2.2. All tangible and intangible personal property disposed of or consumed in the ordinary course of business between the date of this Agreement and the Closing Date, or as permitted under the terms hereof;

1.2.3. All agreements that have terminated or expired prior to the Closing Date in the ordinary course of business and as permitted hereunder;

1.2.4. Seller's minute books, charter documents, record books and such other books and records as pertain to the organization, existence or capitalization of Seller and duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports

as well as any other records or materials relating to Seller generally and not involving specific aspects of the Station's operation;

1.2.5. Contracts of insurance, including the cash surrender value thereof, and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

1.2.6. Any and all other claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof to the extent the Station has been made whole for any loss or damage they or their assets may have suffered or incurred as a result of the item, event or occurrence giving rise to such claim;

1.2.7. All pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

1.2.8. All of Seller's intellectual property used in, or related to, the Station or the Assets, which shall be retained by Seller, except for property identified in Schedule 1.1.6; and

1.2.9. The studio facility of Seller located at 1341 N. Delaware Avenue, Philadelphia, Pennsylvania, used by Seller in connection with the current operations of the Station.

SECTION 2 PURCHASE PRICE

2.1. **Purchase Price.** In consideration of Seller's performance of this Agreement, the sale, assignment, transfer, conveyance, setting over and delivery of the Assets as defined herein

above to Buyer, the total purchase price (the "Purchase Price") to be paid by Buyer to Seller shall be the sum of FIVE HUNDRED THOUSAND DOLLARS AND 00/100 (\$500,000.00), or such lesser or greater sum as calculated in accordance with Section 3.2 of this Agreement.

2.2. Payment of Purchase Price. The Purchase Price shall be paid to Seller as follows:

(a) Upon the execution and delivery of this Agreement, Buyer shall deposit TWENTY FIVE THOUSAND DOLLARS AND 00/100 (\$25,000.00) (the "Escrow Deposit") pursuant to an escrow agreement in the form attached hereto as Exhibit A (the "Escrow Agreement"). The Escrow Deposit shall be held and disbursed by Fleischman and Walsh, L.L.P. (the "Escrow Agent") pursuant to the terms of the Escrow Agreement, which Escrow Agreement shall be signed by Seller, Buyer and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Buyer shall join with Seller in causing the Escrow Agent to cause the Escrow Deposit (but not the interest earned thereon) to be sent to Seller by wire transfer of immediately available funds to a bank designated by Seller to be credited against the Purchase Price. All interest earned on the Escrow Deposit, including all interest earned but not yet paid, shall be sent to Buyer.

(b) On the Closing Date, Buyer will pay to Seller by wire transfer of immediately available funds to a bank designated by Seller the sum of FOUR HUNDRED SEVENTY FIVE THOUSAND DOLLARS AND 00/100 (\$475,000.00), as adjusted to reflect any adjustments made at the Closing pursuant to Section 3.2 of this Agreement.

2.3. **Allocation of Purchase Price.** Prior to the Closing Date, the parties agree to use their commercially reasonable efforts to allocate the Purchase Price in accordance with the requirements of Section 1060 of the Internal Revenue Code. In the event that the parties are unable to reach such an agreement prior to the Closing Date, they will select a qualified, independent and nationally recognized appraiser of broadcast properties and that appraiser's decision shall be binding upon the parties and the fees and expenses shall be borne equally by Buyer and Seller. The parties also agree to use such Purchase Price allocation in completing and filing Internal Revenue Code Form 8594 for federal income tax purposes.

SECTION 3 ADJUSTMENTS

3.1. **Adjustment Time.** The "Adjustment Time" as used herein shall be as of 12:01 A.M. eastern time on the Closing Date.

3.2. **Adjustment Items.** The following items (the "Adjustment Items") shall be prorated as of the Adjustment Time, assuming a 365-day year or a 30-day or 31-day month, as appropriate, and monies shall be paid at Closing in accordance with Section 3.3 herein below.

3.2.1. Rentals or other charges, payable or paid with respect to the Lease Agreements.

3.2.2. Real and personal property taxes and assessments (including sewerage assessments and fees) levied or assessed against or otherwise paid or payable with respect to any of the Assets.

3.2.3. Charges for utilities (including, but not limited to, electricity, fuel, water, basic monthly telephone charges, long distance telephone calls and sanitation and garbage disposal) furnished to or in connection with the Assets.

3.2.4. Buyer shall refund any security deposits to Seller.

3.2.5. Other similar items applicable to the Assets and/or attributable to Seller's operation of the Station, it being the intention of the parties that all operations of the Station prior to the Adjustment Time shall be for the account of Seller, and all operations of the Station on and after the Adjustment Time shall be for the account of Buyer.

3.2.6. If the amount of any real or personal property tax to be prorated is not known on the Closing Date, such tax or fee shall be apportioned on the basis of the most recent tax assessment.

3.3. **Adjustments After Closing Date.** At least five (5) business days prior to the Closing, Seller shall deliver to Buyer a report (the "Preliminary Report") showing in reasonable detail the preliminary determination of the adjustments referred to in Section 3.2, each of which shall be calculated as of the Adjustment Time. The Preliminary Report shall serve as the basis of any adjustments to the Purchase Price. Within thirty (30) days after the Closing Date, Seller shall deliver to Buyer a report (the "Final Report") showing in reasonable detail (a) Seller's final determination of its proposed adjustments to the Purchase Price, (b) all adjustments to the Purchase Price that were not calculated as of the Closing Date, and (c) any corrections to any of its estimated adjustments contained in the Preliminary Report, together with appropriate documents substantiating the calculations, determinations and adjustments proposed in the Final

Report. Any resulting payment shall be made to the party entitled thereto within thirty (30) days after notice of such determination thereof has been given to Buyer or Seller, as the case may be. In the event of any disputes between the parties as to adjustments in the Final Report, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. The fees and expenses of such accountant shall be paid by Seller and/or Buyer in inverse proportion to the accountant's resolution of the disputed items or amounts.

SECTION 4 **APPLICATION TO AND CONSENT BY COMMISSION**

4.1. **Commission Consent.** Consummation of the transactions contemplated herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission or its staff shall have given its consent in writing, without any condition that would have a Material Adverse Effect, as defined in Section 4.2(c), on Buyer or Seller, to the assignment of the Commission Authorizations from Seller to Buyer.

4.2. **Application For Commission Consent.**

(a) Seller and Buyer agree to proceed expeditiously and with due diligence and to use their best efforts and to cooperate with each other in seeking the Commission's approval of the assignment of the Commission Authorizations from Seller to Buyer. Within five (5) business days after the date of this Agreement, each party shall prepare and file with the Commission its portion of an application to assign the Commission Authorizations (the

"Assignment Application") and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Application, including, but not limited to, a showing by Buyer that its ownership of the Station shall comply with the FCC radio ownership limits. Each party further agrees expeditiously to prepare amendments to the Assignment Application whenever such amendments are required by the Commission or its rules. Without limiting the foregoing, in the event that the FCC staff should require additional information regarding Buyer's compliance with the FCC's numerical ownership limits on radio or other FCC policies related to radio ownership, Buyer shall promptly supply such information, at its own expense, and use its best efforts to seek an expeditious grant of the Assignment Application.

(b) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Assignment Application. All filing fees and grant fees imposed by the Commission shall be shared equally by Seller and Buyer.

(c) Each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have a Material Adverse Effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. "Material Adverse Effect" means a condition, event or circumstance which would materially restrict, limit, increase the cost or burden of, or otherwise materially impair the right of Buyer or Seller to the ownership, use, control or operation of the Assets consistent with their present use, operation or condition; provided, however, that any condition, event or

circumstance which requires that the Assets be operated in accordance with a condition similar to that contained in the Commission Authorizations as they exist as of the date of this Agreement or that affect the Station's market or the broadcasting industry, generally, shall not be deemed a Material Adverse Effect. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the Assignment Application (but nothing in this Section shall limit any party's right to terminate this Agreement pursuant to Section 16 of this Agreement).

4.3. **Notice of Application.** Seller shall, at its expense, give due notice of the filing of the Assignment Application by broadcasting on the Station, or by such other means, as may be required by the rules and regulations of the Commission.

4.4. **Delay in Approval of Application.** Either party at its option may terminate this Agreement by five (5) business days' prior written notice to the other party, and without liability to the other party, if the Commission has not granted the Assignment Application by July 7, 2005 (the "Upset Date"). In addition, either party may at its option terminate this Agreement by five (5) business days' prior, written notice to the other party in the event that the Commission should designate a hearing regarding the transaction proposed herein, and such termination shall be without liability to the other party unless such hearing is the result of the breach of any representation, warranty or covenant contained herein by the terminating party. In the event of termination pursuant to this Section 4.4, each party shall bear its own expenses, and, unless the termination is the result of a breach by Buyer, the Escrow Agent shall return to Buyer the Escrow Deposit (including all interest earned thereon). If the termination is the result of a breach by

Buyer, the Escrow Agent shall deliver to Seller the Escrow Deposit (including all interest earned thereon).

SECTION 5 LIABILITIES

5.1. **Liabilities.** The Assets shall be sold and conveyed to Buyer free and clear of all liabilities (absolute or contingent), obligations, liens (including tax, mechanics' and materialmen's liens), pledges, conditional sales agreements, charges, mortgages, security interests, encumbrances and restrictions of any type or amount (other than Permitted Liens, as hereinafter defined) (collectively, "Liens") created or suffered by Seller prior to the Closing Date. "Permitted Liens" means (i) liens or mortgages that will be released at Closing; (ii) zoning ordinances and regulations, including statutes and ordinances relating to municipal improvements, which would not have a Material Adverse Effect; and (iii) liens identified in Schedule 5.1.

5.2. **Buyer's Assumed Obligations.** Buyer covenants and agrees to assume at Closing and discharge following the Closing (i) current liabilities of Seller for which Buyer receives a reduction in the Purchase Price, but not in excess of the amount of such reduction, and (ii) all of the unperformed duties, obligations and liabilities attributable to periods and arising from events or circumstances occurring on or after the Closing Date under or with respect to the Assets or operation of the Station, including those arising out of Buyer's ownership of the Assets and operation of the Station. Except as provided in the preceding sentence, Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance

of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "Retained Liabilities."

5.3. **Seller's Liability.** Seller shall remain liable for, and covenants to pay, satisfy, or discharge, all liabilities, payments, obligations, and duties attributable to periods and arising from events or circumstances occurring before the Closing Date under or with respect to the Assets or operation of the Station.

SECTION 6 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants as follows:

6.1. **Organization and Standing.** Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and is in good standing in the State of Pennsylvania if so required by the laws of the State of Pennsylvania. Seller has the full power to own the Assets and to conduct the operations of the Station as it now is being conducted.

6.2. **Authorization and Binding Obligation.** Seller has all necessary power and authority to enter into this Agreement and the Seller's Closing Documents. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Seller's Closing Documents (on the Closing Date) have been authorized by all necessary action of Seller. This Agreement constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with the terms of this Agreement. Upon

execution, the Seller's Closing Documents will constitute valid and binding obligations of Seller enforceable against Seller in accordance with their terms.

6.3. **No Contravention.** Except for those third party consents listed in Schedule 6.3, the execution, delivery and performance of this Agreement or any of the Seller's Closing Documents do not violate any provision of Seller's organizational documents, any contract provision or other commitment to which Seller with respect to the Assets is a party or under which the Assets are bound, or any judgment or order, and will not result in the creation or imposition of any Lien (other than a Permitted Lien) upon any of the Assets.

6.4. **Business Records.** Seller has maintained the Business Records in the usual, regular and ordinary manner in accordance with good business practices.

6.5. **Real and Tangible Personal Property.**

6.5.1. **Real Property.** Schedule 1.1.2 attached hereto accurately lists all the Real Property owned, leased or otherwise held or exclusively used by Seller in connection with its operation of the Station. The Real Property, as well as the present uses thereof, conforms in all material respects with all material restrictive covenants and with all applicable zoning, environmental, and building codes, laws, rules and regulations. All Assets on the Real Property are structurally sound, in good condition and repair (ordinary wear and tear excepted), and available for immediate use in the operations of the Station. No condemnation of any of the Real Property has occurred; there is no existing notice covering future condemnation; and Seller has no reason to believe that any of the Real Property will be condemned. All transmitting facilities included as part of the Assets, including, antennas, anchors and all other related buildings,

structures and appurtenances, if any, are located entirely within the confines of the Real Property.

To the knowledge of Seller, all utilities required for the operation of the Assets on the Real Property either enter the Real Property through adjoining public streets, or if they pass through adjoining private land, they do so in accordance with valid easements. The use of the Assets on the Real Property and the conduct therein have not violated any law, statute, ordinance, rule or regulation of any government, governmental body, agency or authority (federal, state or local) in any material respect. In connection with such use and conduct, there are no problems with respect to adequate water supply, sewage and waste disposal facilities or air, water or land pollution, nor are there any pending or threatened eminent domain proceedings or special assessments with respect to the Real Property.

6.5.2. **Tangible Personal Property.** Seller is the owner of, and at Closing will have good and marketable title to, all of the Tangible Personal Property listed in Schedule 1.1.3, free and clear of all Liens (other than Permitted Liens).

6.5.3. **Condition of Property.** The Tangible Personal Property listed in Schedule 1.1.3 is now, and on the Closing Date will be, in good operating condition in accordance with generally accepted standards of practice in the broadcasting industry (ordinary wear and tear excepted), and to Seller's knowledge, is free from defects in materials and workmanship in all material respects

6.6. **Agreements.**

6.6.1. The Lease Agreements are in full force and effect, valid, binding, and enforceable in accordance with their terms. Seller has duly performed all of its material

obligations under the Lease Agreements. There is no default by or claim of default against Seller or, to Seller's knowledge, against any other party to the Lease Agreements, or any event or circumstance that with the passage of time or the giving of notice or both would result in a default by Seller or, to Seller's knowledge, any other party. Seller knows of no existing notice of termination with respect to the Lease Agreements.

6.7. Authorizations. Except as disclosed on Schedule 6.7:

6.7.1. Seller is the authorized legal holder of all licenses, permits, and authorizations necessary to operate the Station's facilities lawfully and as they are now being conducted, including, without limitation, all Commission Authorizations listed in Schedule 1.1.1, none of which is subject to any restrictions or conditions which would limit in any respect the full operation of the Station's facilities as now operated and be deemed a Material Adverse Effect.

6.7.2. All such Commission Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act of 1934, as amended.

6.7.3. Seller is operating the Assets in all material respects in accordance with the Commission Authorizations, the underlying construction permits and all rules, regulations and policies of the Commission.

6.7.4. There is no action pending nor to Seller's knowledge, threatened, before the Commission or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations, or any action which may result in the denial of any pending

applications, the issuance of any cease and desist orders, or the imposition of any administrative sanctions whatsoever with respect to the Assets, except as required to transfer same to Buyer.

6.7.5. All reports, applications and other documents required by the Commission to be filed by Seller with the Commission or any other administrative body to date with respect to the Assets or the Station's operation of its facilities have been filed and all such reports, applications and documents are true and correct in all material respects.

6.7.6. There are no matters known to Seller that might reasonably be expected to result in the suspension or revocation of any Commission Authorizations pertaining to the Assets.

6.8. Litigation and Insurance.

6.8.1. **Litigation; Compliance With Law.** Except as disclosed on Schedule 6.8.1, with respect to the Assets, Seller is in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act and all rules and regulations issued thereunder. Except for administrative rule makings or other proceedings of general applicability to the broadcast industry, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to Seller's knowledge, threatened against the Assets, including, without limitation, any proceeding which may (a) have a Material Adverse Effect, (b) restrain or enjoin the Closing or the consummation of the transactions contemplated hereby, or (c) result in the revocation, modification or suspension of the Commission

Authorizations, or the issuance or imposition of any administrative sanction that reasonably could be expected to have a Material Adverse Effect. In addition, to Seller's knowledge, no such litigation, investigation, or proceeding has been threatened. Seller will give Buyer prompt notice of its discovery of any such basis or the institution or the threat of any such litigation, investigation, or proceeding. Seller is not in material default in respect to any judgment, order, writ, injunction, decree, rule, or regulation of any applicable court or governmental body, which default could have a Material Adverse Effect.

6.8.2. **Insurance.** All of the Tangible Personal Property listed in Schedule 1.1.3 is insured, including, without limitation, public liability and broadcaster's liability insurance. Such insurance is in full force and effect with all premiums for fire, flood, and extended coverage insurance and such public liability and broadcaster's liability insurance paid when due.

6.9. **Insolvency Proceedings.** No insolvency proceedings of any kind, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

6.10. **Environmental Matters.**

(a) To Seller's knowledge with respect to the Assets, Seller has complied in all material respects with all laws, rules and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment and public health and safety (the "Environmental Laws"), and no charge, complaint, action, suit, proceeding, hearing,

investigation, claim, demand, or notice has been filed or commenced against Seller alleging any failure to comply with any such Environmental Law.

(b) To Seller's knowledge, no hazardous or toxic waste, substance or material, as those or similar terms are defined in or for purposes of applicable federal, state and local environmental laws, and including without limitation, any asbestos, or asbestos related products, oils or petroleum-derived compounds, CFCs, or PCBs (collectively "Hazardous Substances") are contained in structures or equipment used in the operation of the Station or are located on or about the Real Property unless, in the case of equipment containing CFC's and PCB's, such CFC's and PCB's are properly contained and labeled. No "underground storage tank" (as that term is defined in regulations promulgated by the federal Environmental Protection Agency) is used in the operation of the Station or, to Seller's knowledge, is located on the Real Property. To Seller's knowledge: (i) the Real Property has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or the surface water of the Real Property is contaminated by any Hazardous Substances; (iii) no Hazardous Substances are being emitted, discharged or released from the Real Property, directly or indirectly, into the environment; (iv) neither Seller nor any former owner or operator of the Real Property is liable for cleanup or response costs with respect to the emission, discharge, or release of any Hazardous Substance due to its ownership, occupation, use or operation of such premises. The present operation of the Station complies in all applicable federal, state and local laws relating to electrical transformers and human exposure to radio frequency radiation and, to Seller's knowledge, complies in all material respects with all other applicable federal, state and local environmental laws.

SECTION 7
WARRANTIES, REPRESENTATIONS AND
COVENANTS OF BUYER

Buyer covenants, represents, and warrants as follows:

7.1. **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 and will be qualified to do business and be in good standing in the State of Pennsylvania if so registered by the laws of the State of Pennsylvania. Buyer has the full power to own its assets and to carry on its business as it is now being conducted and as the same will be conducted following the Closing.

7.2. **Authorization and Binding Obligation.** Buyer has all necessary power and authority to enter into this Agreement and the Buyer's Closing Documents. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Buyer's Closing Documents (on the Closing Date) have been authorized by all necessary action of Buyer. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms of this Agreement. Upon execution, the Buyer's Closing Documents will constitute valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

7.3. **No Contravention.** The execution, delivery and performance of this Agreement or any of the Buyer's Closing Documents do not violate any provision of the governing documents of Buyer, any other organizational document of Buyer, any contract provision or other commitment to which Buyer or any of its officers or directors is bound, or any judgment or order.

7.4. **Litigation.** Except for administrative rule makings or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint before the Commission, other governmental body or court of any nature, including, without limitation, a grievance, arbitration or insolvency or bankruptcy proceeding, pending or, to Buyer's knowledge, threatened against or affecting Buyer which would restrain or enjoin the Closing or the consummation of the transactions contemplated hereby.

7.5. **Information Held in Confidence.** Except with respect to Buyer's prospective lenders, if any, from the date hereof until the Closing Date, Buyer and other representatives of Buyer will hold in strict confidence, and will not disclose to any third party, any data or information obtained in connection with the transactions contemplated by this Agreement with respect to the business of Seller, except insofar as any of such data or information may be required by law to be publicly disclosed or submitted to the Commission. If the transactions contemplated by this Agreement are not consummated, Buyer will return to Seller all such data and information, including, but not limited to, all documents, copies of documents and memoranda or other materials prepared by Buyer which incorporate data or information obtained from Seller and all other data and information made available to Buyer in connection with the transactions contemplated by this Agreement, except that which may be required by law to be submitted to the Commission.

7.6. **Buyer's Qualifications.** There is no fact that would, under present law and the present rules and regulations of the Commission, including, but not limited to, the Communications Act of 1934, as amended, the numerical ownership limits on radio stations, and current FCC staff policy or procedures with respect to Buyer's proposed share of local advertising

revenue, disqualify Buyer from being the assignee of the Assets or owner of the Station or that would delay the Commission's approval of the Assignment Application. Should Buyer become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such disqualification. Buyer will not take, or fail to take, any action that Buyer knows, or has reason to believe, would result in such disqualification. Buyer has sufficient financial resources to certify to its financial qualifications in the Assignment Application.

7.7. **Purchase Price.** Buyer has the funds necessary to pay the Purchase Price to Seller in accordance with Section 2.2.

7.8. **Reliance.** Neither Buyer nor any person acting as Buyer's representative or on Buyer's behalf has relied on any representation or statement of Seller or any other person except as expressly set forth in this Agreement. Buyer acknowledges that it has been given full opportunity to examine, to its satisfaction, the Lease Agreements and the Tangible Personal Property.

SECTION 8 SELLER'S CONDUCT OF BUSINESS PRIOR TO CLOSING, BUYER'S ACCESS TO INFORMATION AND BUYER'S COVENANTS

8.1. **Affirmative Covenants of Seller.** From the date of this Agreement until the Closing Date, Seller shall have complete control and supervision of and sole responsibility for the Assets and their operation, and during such period, Seller shall, subject to the terms of any local marketing agreement or time brokerage agreement with Buyer:

8.1.1. Operate the Station's facilities in good faith and in a manner consistent with the normal and prudent operation of similar commercial broadcast station facilities and in

accordance with the rules and regulations of the Commission and the Commission Authorizations and maintain all of the Assets in good operating condition, ordinary wear and tear excepted.

8.1.2. Keep and preserve the Business Records in accordance with good business practice.

8.1.3. Deliver to Buyer within ten (10) days after filing thereof copies of any and all reports, applications and/or responses relating to the Station which are filed with the Commission on or prior to the Closing Date, including a copy of any Commission inquiries to which the filing is responsive (in the event of an oral Commission inquiry, Seller will furnish a written summary thereof if prepared by Seller for such inquiry).

8.1.4. Give prompt notice to Buyer of any occurrence that comes to Seller's attention that may constitute a misrepresentation, breach of warranty or nonfulfillment of any covenant or condition on the part of Seller or Buyer contained in this Agreement.

8.2. **Negative Covenants of Seller.** Between the date hereof and the Closing Date, Seller shall not, with respect to the Assets or the operation thereof, without the consent of Buyer, which consent shall not be unreasonably withheld:

8.2.1. Cancel, modify, alter, amend, encumber or in any way discharge, terminate or impair the Lease Agreements.

8.2.2. By any act or omission surrender, modify adversely, forfeit or fail to renew under regular terms the Commission Authorizations or give the Commission grounds to institute any proceeding for the revocation, suspension or modification of any such Commission

Authorization, or fail to prosecute with due diligence any pending applications with respect to such Commission Authorizations (other than the Assignment Application which shall be governed by Section 4 hereof).

8.2.3. Other than in the usual and ordinary course of business, sell or dispose of any of the Assets; Seller shall replace all Assets thus disposed of in the usual and ordinary course of business with assets having an aggregate value at least equal to the aggregate value of the Assets sold or otherwise disposed of.

8.2.4. Create or suffer or permit the creation of any Lien (other than Permitted Liens).

8.2.5. Take any action that would prevent Seller from consummating the transactions contemplated in this Agreement.

8.3. Access to Information.

8.3.1. **Access to the Assets.** Between the date hereof and the Closing Date, Seller will give to Buyer and its authorized representatives and agents, including engineers, accountants, lawyers and other representatives, reasonable access during reasonable business hours to the Assets. Seller shall furnish to Buyer such information and materials concerning the operation of the Station's facilities and the Assets as Buyer may reasonably request.

8.4. **Restrictions on Buyer.** Nothing contained in this Agreement shall give Buyer any right to control the programming or operations of the Station prior to the Closing. Upon

execution of this Agreement, Buyer and Seller shall enter into a Local Marketing Agreement in the form attached hereto as Exhibit B.

8.5. **Buyer's Covenants.** From the date of this Agreement until the Closing Date, Buyer covenants that it will take no action, or fail to take any action, that would disqualify it from becoming the assignee/licensee of the Commission Authorizations or delay the grant of the Assignment Application by the Commission. Furthermore, Buyer shall give prompt notice to Seller of any occurrence that comes to Buyer's attention that may constitute a misrepresentation, breach of warranty or nonfulfillment of any covenant or condition on the part of Buyer or Seller contained in this Agreement.

SECTION 9 CONDITIONS FOR CLOSING

9.1. **Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail or air courier and by Buyer delivering the Purchase Price, as adjusted, to Seller in accordance with Section 2.2 on a date set by the parties; provided that, unless the parties agree to an earlier date, such date shall be within five (5) days after the Assignment Application becomes a Final Order (the "Closing Date"). For purposes of this Agreement, a "Final Order" means an action by the Commission as to which (a) no request for stay by the Commission is pending, no such stay is in effect, and the deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the Commission and the deadline for filing any such appeal, petition or application has passed; (c) the Commission has not initiated reconsideration or review on its own

motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the Commission's action is pending or in effect, and the deadline for filing any such appeal or request has passed.

9.2. Conditions Precedent to Obligations of Buyer. The performance of the obligations of Buyer under this Agreement is subject to the satisfaction of each of the following express conditions precedent (provided that Buyer may, at its election, waive any of such conditions at the Closing, notwithstanding that such condition is not fulfilled on the Closing Date):

9.2.1. Seller shall have delivered to Buyer the Seller's Closing Documents as described in Section 10.1 below.

9.2.2. Each of Seller's representations and warranties contained in this Agreement or in any schedule, certificate or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, if specifically qualified by materiality, shall be true and correct in all respects at and as of the Closing Date with the same force and effect as if each such representation or warranty was made at and as of such time, and if not so qualified, shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

9.2.3. Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied

with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.2.4. The Assignment Application shall have become a Final Order.

9.2.5. All outstanding Liens (other than Permitted Liens) shall have been discharged and satisfied, or arrangements made to discharge same at Closing.

9.2.6. The consents of Seller's respective landlords to the assignment of the Lease Agreements shall have been obtained without material adverse condition.

9.3. **Conditions Precedent to Obligations of Seller.** The performance of the obligations of Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent (provided that Seller may, at its election, waive any of such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date):

9.3.1. Buyer shall have delivered to Seller the Buyer's Closing Documents as described in Section 10.2 below.

9.3.2. Each of Buyer's representations and warranties contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, if specifically qualified by materiality, shall be true and correct in all respects at and as of Closing Date with the same force and effect as if each such representation or warranty was made at and as of such time, and if not so qualified, shall be true and correct in all material respects at and as of the Closing Date with the same force

and effect as if each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

9.3.3. Buyer shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.3.4. Buyer shall have agreed, in a form reasonably acceptable to Seller, to assume all obligations specified in Section 5.2 of this Agreement.

9.3.5. The Assignment Application shall have become a Final Order.

9.3.6. The consents of (i) Seller's lender to the sale of the Assets and (ii) Seller's respective landlords to the assignment of the Lease Agreements shall have been obtained without material adverse condition.

SECTION 10 OBLIGATIONS AT CLOSING

10.1. **Closing Documents to be Delivered by Seller.** At the Closing, Seller shall deliver to Buyer the following (the "Seller's Closing Documents"):

10.1.1. An executed bill of sale in form and substance reasonably satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder.

10.1.2. An executed assignment and assumption agreement in form and substance reasonably satisfactory to the parties assigning to Buyer the obligations being assumed by Buyer pursuant to Section 5.2 hereof.

10.1.3. An executed assignment and assumption agreement in form and substance reasonably satisfactory to the parties assigning and transferring to Buyer all of the Commission Authorizations.

10.1.4. A certificate executed by Seller's chief executive officer certifying that the conditions specified in Sections 9.2.2 and 9.2.3 hereof have been satisfied.

10.1.5. All Business Records.

10.1.6. Possession and/or ownership of and all right, title and/or interest in and to the Assets.

10.1.7. Instructions executed on behalf of Seller directing the Escrow Agent to apply the principal of the Escrow Deposit toward payment of the Purchase Price.

10.1.8. Such other documents and instruments as may be necessary to affect the intent of this Agreement and to consummate the transactions contemplated hereby.

10.1.9. Lien search reports dated within ten (10) days of the Closing Date and such other documentation as may be necessary to establish Seller's compliance with Section 9.2.5 hereof.

10.2. **Closing Documents to be Delivered by Buyer.** At the Closing, Buyer shall deliver to Seller the following (the "Buyer's Closing Documents"):

10.2.1. The Purchase Price as provided in Section 2.2 hereof.

10.2.2. A certificate executed by Buyer's chief executive officer certifying that the conditions specified in Sections 9.3.2 and 9.3.3 hereof have been satisfied.

10.2.3. An executed assignment and assumption agreement in form and substance reasonably satisfactory to the parties assigning to Buyer the obligations being assumed by Buyer pursuant to Section 5.2 hereof.

10.2.4. An executed assignment and assumption agreement in form and substance reasonably satisfactory to the parties assigning and transferring to Buyer all of the Commission Authorizations.

10.2.5. Instructions executed on behalf of Buyer directing the Escrow Agent to apply the principal of the Escrow Deposit toward payment of the Purchase Price.

10.2.6. Such other documents and instruments as may be necessary to affect the intent of this Agreement and to consummate the transactions contemplated hereby.

SECTION 11 BROKERAGE

Seller and Buyer each represent and warrant to the other that it knows of no broker, finder, or intermediary who has been involved in the transactions contemplated by this Agreement or who might be entitled to a fee or commission upon the consummation of such

transactions other than Minority Media and Telecommunications Council whose fees shall be paid by Seller. Buyer and Seller hereby agree to indemnify each other from and against any claim of any such obligation or liability by any person, and any expense incurred in defending against any such claim, including reasonable attorneys' fees, that shall have resulted from any conduct, activity, or action taken, or allegedly taken, by the indemnifying party.

SECTION 12 INDEMNIFICATIONS

12.1 Breach of Seller's Agreements, Representations and Warranties. For a period of one (1) year following the Closing, Seller undertakes and agrees to indemnify and hold Buyer and any member, officer, manager, agent, employee and affiliate of Buyer harmless from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment or expense (including without limitation, payments, fines, penalties, interest, taxes, assessments and reasonable attorneys' fees and expenses), contingent or otherwise, whether incurred or asserted prior to or after the Closing Date, arising out of or sustained by Buyer by reason of:

(a) any breach of any warranty, representation or agreement of Seller contained under this Agreement or in any certificate or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Station's facilities or the ownership of the Assets prior to the Closing Date (including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the Closing Date under the Lease Agreements, or any other lease, contract or agreement);

- (c) any Retained Liabilities; or
- (d) any and all actions, suits or proceedings incident to any of the foregoing.

12.2 Breach of Buyer's Agreements, Representations and Warranties. For a period of one (1) year following the Closing, Buyer undertakes and agrees to indemnify and hold Seller and any member, officer, manager, agent, employee and affiliate of Seller harmless from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment or expense (including without limitation, payments, fines, penalties, interest, taxes, assessments and reasonable attorneys' fees and expenses), contingent or otherwise, whether incurred or asserted prior to or after the Closing Date, arising out of or sustained by Seller by reason of:

- (a) any breach of any warranty, representation or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished to Seller pursuant to this Agreement or in connection with any of the transactions contemplated hereby;
- (b) the operation of the Station's facilities or the ownership of the Assets on or after the Closing Date (including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed on or after the Closing Date under the Lease Agreements, or any other lease, contract or agreement);
- (c) any and all liabilities or obligations of Seller specifically assumed by Buyer pursuant to this Agreement, or
- (d) any and all actions, suits or proceedings incident to any of the foregoing.

12.3 Notice of Claim. Buyer and Seller agree to give prompt written notice to each other of any claim for indemnification under Sections 12.1 or 12.2 hereof ("Notice of Claim"), which amount is believed to be required to discharge the obligations of the indemnifying party resulting therefrom. Within ten (10) days after having been given the Notice of Claim, the indemnifying party may deliver to the other party (i) a written notice of objection to the payment of such claim ("Notice of Objection"), which Notice of Objection shall set forth the basis for such objection; or (ii) a written notice that the indemnifying party intends to defend against such claim in good faith ("Notice of Intention to Defend"). If such a Notice of Intention to Defend is delivered, the indemnifying party shall have the right to hold in abeyance its claim for indemnification if and so long as such defense is conducted by the indemnifying party at the latter's expense in a manner effective to protect the indemnified party against such claim. If no Notice of Objection or Notice of Intention to Defend is given within the prescribed ten (10) day period, the indemnifying party shall promptly pay to the indemnified party the amount set forth in the Notice of Claim. If the parties are unable to resolve any Notice of Claim and corresponding Notice of Objection, either party may take whatever action it deems reasonable, including without limitation, the filing of a claim, petition or other pleading in a court of competent jurisdiction.

12.4 Sole Remedy. Except as provided to the contrary in this Agreement, the right to indemnification pursuant to Section 12 shall be the sole and exclusive remedy of each party in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

SECTION 13 RISK OF LOSS

The risk of any loss or damage to the Assets by fire, theft, breakage, explosion, earthquake, accident, flood, rain, storm, riot, act-of-God or public enemy, or any other casualty or cause, reasonable wear and tear excepted, prior to the Closing Date, is assumed and shall be borne by Seller at all times before the Closing Date. If any such loss or damage occurs, Seller shall give prompt written notice of the loss or damage to Buyer and shall promptly take all steps to rebuild, replace, restore or repair any such damaged property at its own cost and expense. In the event that Seller does not fully replace or restore any such lost or damaged Assets by the time the Closing otherwise would be held, Buyer may, at its option, upon written notice to Seller, either (i) terminate this Agreement, or (ii) elect to close without restoration, in which event Seller will deliver all insurance proceeds paid or payable by reason of the loss or damage to Buyer. If Buyer terminates this Agreement under this Section, each party shall bear its own expenses, and the Escrow Agent shall deliver to Buyer the Escrow Deposit and all interest earned thereon. Buyer's option to terminate this Agreement under this Section 13 shall arise only if such damage to the Station is so substantial that it prevents the Station's facilities from operating in their normal and customary manner for a period of five (5) consecutive days.

SECTION 14 FEES AND EXPENSES

Each party shall pay its own attorneys' fees and expenses which it initiates, creates or incurs in connection with the negotiation, preparation and execution of this Agreement. All other expenses incurred in connection with this transaction shall be borne by the party incurring same.

SECTION 15
BULK SALES LAW

The parties do not believe that any bulk sales or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyer harmless against any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute.

SECTION 16
DEFAULT AND TERMINATION

16.1 A party shall "default" under this Agreement if it makes any material misrepresentation to the other party in connection with this Agreement, or materially breaches or fails to perform any of its representations, warranties or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing or terminating this Agreement.

16.2 If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default is not curable or has not been cured within thirty (30) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such thirty (30) day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement and/or exercise the remedies available to such party pursuant to this Agreement, subject to the right of the other party to contest such action through appropriate proceedings.

16.3 Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated due to the default of Buyer, Seller shall be entitled to receive as liquidated damages the Escrow Deposit, including all interest earned thereon. The parties agree that such amount shall constitute liquidated damages and shall be in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement. All interest or other proceeds from the investment of the Escrow Deposit, less any compensation due the Escrow Agent, shall be paid to Buyer. Buyer and Seller each acknowledge and agree that the liquidated damage amount is reasonable in light of the anticipated harm which would be caused by Buyer's breach of this Agreement, the difficulty of proof of loss, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transaction to be consummated hereunder.

16.4 Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Escrow Deposit.

SECTION 17
SURVIVAL OF WARRANTIES

17.1 All representations and warranties made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of one (1) year. All covenants made by the parties in this Agreement to be performed on or prior to the Closing Date shall terminate as of the Closing.

17.2 Neither the acceptance nor the delivery of property hereunder shall constitute a waiver of any post-closing covenant, representation, warranty, agreement, obligation, undertaking or indemnification of Seller or Buyer contained in this Agreement, all of which shall, unless otherwise specifically provided, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, legal representatives, successors and assigns.

SECTION 18
NOTICES

All notices, requests, demands, waivers, consents and other communications required or permitted hereunder shall be in writing and be deemed to have been duly given when delivered in person (against receipt) to the party to be notified at the address set out below or sent by registered or certified mail, or by express mail or courier, postage prepaid, return receipt requested, or by facsimile machine, addressed to the party to be notified, as follows:

If to Seller:

Mega Communications of Allentown, L.L.C.

Mega Communications of Allentown Licensee, L.L.C.

c/o Activated Communications Limited Partnership
767 Fifth Avenue, 50th Floor
New York, NY 10153
Attn: Adam L. Lindemann and Eran Schreiber
Fax: (212) 754-5789
Phone: (212) 605-0800

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

Fleischman & Walsh, L.L.P.
1919 Pennsylvania Avenue, N.W., 6th Floor
Washington, DC 20006
Attn: Thomas E. Knight, Esq.
Fax: (202) 265-5706
Phone: (202) 939-7900

If to Buyer:

Nassau Broadcasting I, LLC
Nassau Broadcasting II, LLC
619 Alexander Road, Third Floor
Princeton, NJ 08540
Attn: Louis F. Mercatanti
Fax: (609) 452-6017
Phone: (609) 452-9696

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

Nassau Broadcasting I, LLC
Nassau Broadcasting II, LLC
619 Alexander Road, Third Floor
Princeton, NJ 08540
Attn: Timothy R. Smith, Esq.
Fax: (609) 452-6017
Phone: (609) 452-9696

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as provided in this Section shall be invalid and shall have no force or effect.

SECTION 19 MISCELLANEOUS

19.1. **Headings.** The headings of the Sections of this Agreement are for convenience or reference only, and do not form a part thereof, and do not in any way modify, interpret or construe the meaning of the Sections themselves or the intentions of the parties.

19.2. **Entire Agreement.** This Agreement and any other agreements entered into pursuant to this Agreement set forth the entire agreement of the parties and are intended to supersede all prior negotiations, understandings and agreements and cannot be altered, amended, changed or modified in any respect unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

19.3. **Binding Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Neither party hereto may assign this Agreement or its rights and obligations hereunder without the written consent of the other, except that Buyer may assign its rights and delegate its duties under this Agreement to an entity which is controlled by Buyer at any time prior to the Closing Date, provided that (i) such assignee assumes in writing all the duties and obligations of Buyer

hereunder, (ii) the Assignment Application permits assignment of the Commission Authorizations to such assignee, and (iii) the Closing Date is not delayed or postponed as a result of such assignment. No such assignment by Buyer shall in any way operate to enlarge, alter or change any obligation due to Seller or relieve Buyer of its obligations hereunder if such assignee fails to perform such obligations, with the understanding that Buyer shall be jointly and severally liable with such assignee for any non-performance of Buyer's obligations hereunder. Nothing in this Agreement, express or implied, is intended to or shall confer on any person other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

19.4. **Additional Documents.** The parties hereto agree to execute, acknowledge and deliver, at or after the Closing Date, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement, the effective vesting in Buyer of title to the Assets, and/or the successful processing by the Commission of the Assignment Application to be filed with it, as provided in Section 4 hereof.

19.5. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall comprise one and the same instrument.

19.6. **Legal Actions.** If either Seller or Buyer initiates any legal action or lawsuit against the other involving this Agreement, the prevailing party in such action or suit shall be entitled to receive reimbursement from the other party for all reasonable attorney's fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in such proceeding.

19.7. **Governing Law.** The parties agree that this Agreement and the transactions herein contemplated shall be interpreted, construed and enforced under and according to the laws of the State of Delaware.

19.8. **Counsel.** Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

19.9. **Severability.** If any term or provision of this Agreement is declared to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable; provided, however, neither party shall have any obligation to consummate the transactions contemplated by this Agreement if it is adversely affected in any material respect.

19.10. **Publicity.** Seller and Buyer agree that all public announcements relating to this Agreement or the transactions contemplated hereby will be made only with the consent of the other party, which consent shall not be unreasonably withheld.

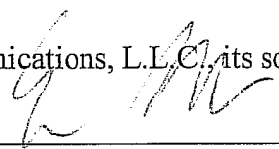
[Remainder of this page intentionally left blank; signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper officers thereunto duly authorized as of the day and year first above written.

SELLER:

MEGA COMMUNICATIONS OF ALLENTOWN, L.L.C

By: Mega Communications, L.L.C., its sole member and manager

By: 
Eran Schreiber, Treasurer

MEGA COMMUNICATIONS OF ALLENTOWN LICENSEE, L.L.C

By: Mega Communications of Allentown, L.L.C., its sole member and manager

By: Mega Communications, L.L.C., its sole member and manager

By: 
Eran Schreiber, Treasurer

BUYER:

NASSAU BROADCASTING I, LLC

By: Nassau Broadcasting Partners L.P., its sole member

By: Nassau Broadcasting Partners, Inc., its General Partner

By: _____
Louis F. Mercatanti, Jr., President

NASSAU BROADCASTING II, LLC

By: Nassau Broadcasting I, LLC, its sole member

By: Nassau Broadcasting Partners L.P., its sole member

By: Nassau Broadcasting Partners, Inc., its General Partner

By: _____
Louis F. Mercatanti, Jr., President

[Signature Page to Asset Purchase Agreement between Buyer and Seller re: WTKZ(AM),
Allentown, Pennsylvania.]

DISCLOSURE SCHEDULES
WTKZ(AM) Allentown, PA

Unless otherwise defined, or the context otherwise clearly requires, terms defined in the Agreement shall have such meanings when used herein.

Certain of the representations and warranties in the Agreement are made subject to the disclosures in these Schedules as if these Schedules had been set forth in the Agreement. Although the Schedule numbers set forth below correspond to the section numbers in the Agreement, any information disclosed herein shall be deemed to be disclosed with respect to all sections of the Agreement where such disclosures would be relevant or appropriate. Except as otherwise expressly indicated herein, all disclosures set forth herein are made as of the date of the Agreement. Moreover, the statements or disclosures made herein are solely for the purposes contemplated by the Agreement, and nothing stated herein shall constitute or be deemed to constitute an admission of liability or error by Seller.

Schedule 1.1.1

Commission Authorizations

MEGA COMMUNICATIONS OF ALLENTOWN LICENSEE, L.L.C Station WTKZ(AM), Allentown, PA				
Call Sign	Authorization	File No.	Grant Date	Exp. Date
WTKZ(AM)	<i>Pro Forma</i> Transfer of Control From Mega Communications, L.L.C. to Mega Communications Holdings, L.L.C.	BTC- 20001005ABE	10/20/00	N/A
WTKZ(AM)	AM Broadcast Station License ¹	BL- 19991201AAQ	3/16/00	8/1/06
WTKZ(AM)	Assignment of License from The Holt Corporation of Pennsylvania, Inc. to Mega Communications of Allentown Licensee, L.L.C.	BAL- 19991109AAL	12/29/99	N/A
WTKZ(AM)	License Renewal	BR- 19980316WI	9/16/98	8/1/06
WMU-755	Auxiliary Aural Studio- Transmitter Link License	940321MD	4/29/94	8/1/06 (as renewed)

¹ See attached Notes.

Notes

The tower coordinates listed on the Station's FCC license, which should reflect the center point of the Station's two tower antenna array (40-35-33 North Latitude, 75-28-42 West Longitude in the North American Datum 27 ("NAD27") protocol) do not match the center point coordinates of that array as measured by Licensee's engineers. Licensee's engineers have determined that the center of array coordinates are 40-35-33.5 North Latitude, 75-28-41 West Longitude, in the NAD 83 protocol, which is equivalent to 40-35-33 North Latitude, 75-28-42 West Longitude, in the NAD 27 protocol. The Antenna Structure Registrations ("ASRs") on file at the FCC for the two towers do not list center of array coordinates. Licensee has requested that the towers' owner file applications with the FCC to provide the proper center of array coordinates on the ASRs directly. Upon correction of the towers' center point coordinates on the ASRs, it will not be necessary to modify the Station's license.

An application will need to be filed with the FCC for a modification of the Station's associated microwave auxiliary studio-transmitter link ("STL") license, to provide updated geographic coordinates for its "receive" location and other technical information regarding that license.

On March 13, 2002, the FCC issued an Official Notice of Violation against Licensee for failure to conduct the Required Weekly Tests of the Emergency Alert System on different days and at different times, as required under the FCC's rules. Licensee filed a Response to the Commission's Field Office in Langhorne, Pennsylvania on March 25, 2002, explaining that the Station began scheduling the Required Weekly Tests at different days and times each week, effective March 8, 2002. The FCC has not taken any further action on this matter.

Schedule 1.1.2

Real Property

Owned Real Property: None.

Leased Real Property:

1. Lease and License, dated September 13, 1996, between Lehigh Valley Broadcasting Associates, Inc. and Mega Communications of Allentown, L.L.C., successor by assignment to The Holt Corporation of Pennsylvania, Inc., re: tower, 1125 Colorado Avenue, Allentown, PA.
2. Commercial Lease Agreement, dated September 23, 1993 (along with Addendums dated November 10, 1998 and September 23, 1993), between Hanover Plaza Associates and Mega Communications of Allentown, L.L.C. , as successor by assignment to The Holt Corporation of Pennsylvania, Inc. (collectively, the "Lease Agreements"), re: studio, Hanover Office Plaza, 961 Marcon Boulevard, Suite 400, Allentown, PA.

Schedule 1.1.3

Tangible Personal Property

See attached.

Transmitter

Rockwell/Collins 1000-watt transmitter
 Omnitronix 1000-watt transmitter
 PhaseTek custom directional phasor system
 Switchable dummy load
 Metal equipment rack (6')
 Marti STL Receiver
 Sine Systems remote control system
 Orban 9100 audio processor
 Dorrough DAP-310 audio processor
 CRT, MSF-1000 audio processor
 Antenna tuning units (2)
 Moveable cooling fans (2)
 Portable heater
 Metal storage rack
 Nems-Clarke 120 Field intensity meter (currently in Philadelphia)
 Scala STL dish (on tower #1)
 File cabinet w/equipment manuals and prints

The transmitter building at the site is owned by WTKZ and was constructed on leased land approximately seven years ago. The transmitter building was purpose-built at the site as a broadcasting structure. Tuning houses at the base of each tower were also constructed at that time. The tower use is leased and the towers are diplexed with WHOL(AM).

Main Control Room

LPB S-20 10-channel stereo console
 Otari MX-5050 reel-to-reel recorder
 EV RE-20 microphone
 Luxo microphone arm
 Sage ENDEC EAS system
 Sanyo VHR VCR
 Metal equipment rack
 BE 3-hi cart PB
 BE single cart PB
 Arrakis Digilink system
 Kenwood DP 2040 DB Playback
 Denon DRW 750
 JVC TD-W203
 Telephone flasher
 Studio speakers (2)
 Custom horseshoe Formica furniture
 Custom track light system
 Studio Chair
 Two-drawer file cabinet
 Lazy susan cart rack
 Wooden cart racks
 Approx. 200 audio carts
 Gentner SHP-3 hybrid
 Telephone
 Wastebasket

Talk Studio

Formica interview table
Chairs
Luxo mic arms
EV 635 microphone
Headphone plug station
Clock
Wastebasket

Hallway Area - Studios

Sharp microwave
Emerson refrigerator
Mini vacuum cleaner
Fire extinguisher
Coffee maker
Coffee storage cabinet
Framed picture
Wastebasket

Office Area - Rear Section

Five-drawer lateral files (3)
Fax machine
Wooden fax table
Four-drawer metal file cabinet
Transmitter logging printer
Wastebasket

Office

Custom office system - desk system w/full return
Integrated combo lateral and linear file cabinets (2)
Storage cabinet - metal
Office chair

Production Room

LPB Signature II 8 channel stereo mixer
ITC 3D cart PB
ITC cart R/P
Luxo mic arm
Otari MXX-5050 reel-to-reel R/P
Technics SLPG440 CD PB
Sansui CB-V1000 CD PB
ESE Studio timer clock
Arrakis Digilink System
Radio Systems/SONY R-DAT R/P
Utah 16" speakers (2)
Radio Shack tape eraser
Mackie 1202 VLZ Mixer
6' tape storage cabinet
8' metal electronics rack
2-drawer file
Antenna rotator controller
Fairchild DART 354 satellite receiver - obsolete

Production Room (continued)

Gregg Tri-band audio processor
LPB DA
Conex cuetone decoder
Custom track light system
Wastebasket
10.5" reel to reel tapes
Harris Intraplex STL Plus (1 end in Philadelphia)
 2 PT350
 2 PR 350
 2 VF25
 1 VF15
 1 VF16
 2 CM5

Executive Corner Office

Teak conference table
Four conference armchairs
Occasional lamp table
Custom oak horseshoe executive desk system
Upholstered occasional chair
Office lamps (3)
Office desk chair
Telephone
Wastebasket

Office

Conference table
Chairs
Credenza
Phone
Wastebasket

Storage Closet

Custom shelving system

General Office Area

Custom cubicle workstation units
Photocopier
H-P Scanner
Chairs
Clock
Wastebaskets

Reception Area

Reception desk w/return
Four 4-drawer file cabinets
Guest chair
Phone
Wastebasket
Clock
Lamps
10' x 6' decorative oak & glass bookcase

Equipment & Storage Room

BE Console - inoperative
Remote equipment & supplies storage
Four-drawer file cabinet
Two-drawer file cabinet
Storage shelf system
Tool chest w/assorted tools
Assorted parts & supplies
Some used equipment kept for parts only

Building Roof & Exterior

The station is located in leased space in a large and modern four-story building. The radio station has exclusive sign rights to the building. At the top level of the top floor is allocated a large illuminated sign which currently says "WTKZ 1320". The sign is of the large panel type, making call letter replacement a relatively simple matter.

Located on the roof is a Rohn mast that holds the Scala STL dish as well as a Yagi antenna & rotor for RPU use.

Schedule 1.1.5

Contracts

1. See Lease Agreements set forth on Schedule 1.1.2.
2. Station License Agreement to Receive and Use Arbitron Radio Listening Estimates (with respect to WTKZ(AM) only).
3. Agreement with Interep re WTKZ(AM).

Schedule 1.1.6

Intellectual Property

1. The Station's call letters - WTKZ(AM).

Schedule 5.1

Liabilities

All of the Assets are subject to liens, which shall be removed prior to or in connection with Closing, pursuant to the terms of that certain Credit Agreement, dated as of October 25, 2000, as amended, by and among Mega Communications, L.L.C., Mega Communications Holdings, L.L.C. and General Electric Capital Corporation.

Schedule 6.3

Consents

1. Consent of the Seller's Lender, as identified in that certain Credit Agreement, dated as of October 25, 2000, as amended, by and among Mega Communications, L.L.C., Mega Communications Holdings, L.L.C. and General Electric Capital Corporation.
2. Lease and License, dated September 13, 1996, between Lehigh Valley Broadcasting Associates, Inc. and Mega Communications of Allentown, L.L.C., successor by assignment to The Holt Corporation of Pennsylvania, Inc., re: tower, 1125 Colorado Avenue, Allentown, PA.
3. Commercial Lease Agreement, dated September 23, 1993 (along with Addendums dated November 10, 1998 and September 23, 1993), between Hanover Plaza Associates and Mega Communications of Allentown, L.L.C. , as successor by assignment to The Holt Corporation of Pennsylvania, Inc. (collectively, the "Lease Agreements"), re: studio, Hanover Office Plaza, 961 Marcon Boulevard, Suite 400, Allentown, PA.

Schedule 6.7

Exceptions to Authorizations

See Schedule 1.1.1.

Schedule 6.8.1

Exceptions to Compliance with Law

See Schedule 1.1.1.