

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT**, dated as of February 15, 2007 (the "Agreement"), by and between **GALAXY COMMUNICATIONS, LP**, a Delaware limited partnership ("Galaxy Parent"), **GALAXY ALBANY LICENSEE, LLC**, a New York limited liability company ("Galaxy Albany"), **GALAXY SYRACUSE LICENSEE, LLC**, a New York limited liability company ("Galaxy Syracuse") (collectively, "Sellers"), and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Galaxy Albany holds FCC authorizations for radio stations WOOB(FM), Scotia, New York (facility identification number 64620) and WBOE(FM), Ravena, New York (facility identification number 73909), Galaxy Syracuse holds FCC authorizations for WSCP-FM, Pulaski, New York (facility identification number 1047), (the "FCC Authorization(s)") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, on the terms and conditions described herein, Sellers desire to sell and assign and Buyer desires to take assignment of and assume the FCC Authorizations of WOOB(FM) and WBOE(FM) (the "Albany Stations") and WSCP-FM (the "Syracuse Station") and to acquire certain of the assets of the Albany Station(s) and the Syracuse Station (together, the "Acquired Stations") held by Galaxy Parent; and

WHEREAS, in advance of the closing of the transactions contemplated hereby, Buyer and Sellers desire to enter into a network affiliation agreement pursuant to which Buyer will obtain, and Sellers will provide, programming time on the Acquired Stations in order to rebroadcast Buyer's programming from the facilities of the Acquired Stations;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), Sellers shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Sellers, the assets, properties, interests and rights of Sellers of whatsoever kind and nature, which are owned by Sellers and used in connection with the transmission operations of the Acquired Station(s) (the "Assets") (but excluding the Excluded Assets described in subparagraph (c) below), including without limitation:

(i) Sellers' equipment, machinery, fixtures, and other tangible personal property used in the conduct of the transmission operations of the Acquired Stations at the Station(s) tower facilities (the "Tangible Personal Property"), as set forth on Schedule 1 hereto (together with improvements and additions thereto and replacements thereof between the date hereof and the Closing Date);

(ii) All of Seller's rights in and to the licenses, permits, applications, and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by, or granted by, or filed with the FCC, the Federal Aviation Administration (the "FAA"), and any other federal, state or local governmental authorities to Sellers in connection with the conduct of the business and the full on-air operations of the Acquired Stations, as set forth on Schedule 2 hereto;

(iii) The leasehold interests or license rights held by Sellers in or with respect to the Albany Stations' current tower sites, including, to the extent applicable, leasehold, license or other rights with respect to buildings, fixtures and other improvements, easements, rights of access, rights of way and improvements which are held by Sellers and intended for use in the operations of the Acquired Stations' tower site facilities as of the date hereof (the "Facilities") as specifically identified on Schedule 3 hereto (the "Leases");

(iv) All of Sellers' logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties relating to the Tangible Personal Property, and other records relating to the transmission operations of the Acquired Station(s), including without limitation all FCC filings and all records required by the FCC to be kept by the Acquired Stations. Sellers may copy such information it determines necessary to be archived for future governmental or regulatory reporting; and

(v) The call signs of the Acquired Stations.

(b) The Assets shall be transferred by Sellers to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("Liens"), except Permitted Liens as defined below. Except as otherwise expressly provided in the NAA (as hereinafter defined), Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Sellers 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, other than the liabilities arising or becoming payable on or after the Closing Date under the Leases identified on Schedule 3 hereto, referred to herein as the "Assumed Liabilities." All such liabilities not specifically assumed by Buyer shall be retained by Sellers and are referred to herein as the "Retained Liabilities". Without limiting the generality of the foregoing, it is understood and agreed that, except as otherwise expressly provided in the NAA, Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Sellers to Sellers' employees under any existing written or oral agreements with Sellers, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Sellers of the employment of any employee of the Acquired Stations or any liability for any employee benefit plan or arrangement of Sellers for the Stations' employees.

(c) The following assets and obligations relating to the business of the Acquired Stations shall be retained by Sellers and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets"):

(i) Cash on hand and in banks (or their equivalents), and accounts receivable arising out of the Sellers' operation of the Acquired Stations prior to the Closing Date;

(ii) All rights of Sellers under all contracts, leases (except any Leases, but specifically including any studio lease) and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by Sellers relating to property or equipment repaired, replaced, restored by Sellers prior to the Closing Date;

(iii) All tangible personal property not included on Schedule 1 hereto, including, without limitation, all equipment located at Sellers' studios.

(iv) All rights of Seller in and to the real property and improvements thereon at which the Syracuse Station's tower and studio facilities are located (the "Syracuse Real Property");

(v) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(vi) All deposits and all prepaid expenses and taxes; and

(vii) Seller's corporate, limited partnership and limited liability company records.

2. Purchase Price.

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Sellers or an entity designated by Sellers the aggregate sum of Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000) (the "Purchase Price"), subject to adjustments provided in Section 2(c) below. The cash due at closing shall be the aggregate sum of Two Million Fifty Thousand Dollars (\$2,050,000), payable by wire transfer of same day Federal funds to an account designated by Sellers, and including delivery of the Escrow Deposit as set forth in Section 2(b) below, and also subject to the adjustments provided in Section 2(c). The remainder of the Purchase Price shall be payable as follows:

(i) On the Closing Date, Buyer shall execute and deliver to Sellers (or an entity designated by Sellers) a promissory note substantially in the form attached hereto as Exhibit A (the "Note") in the aggregate principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000). The Note shall bear interest at the rate of seven and one half percent (7.5%) per annum, and Buyer shall pay monthly, in arrears, installments of interest in the amount of \$10,000 each, commencing on the 30th day after the Closing Date and continuing on the same calendar day of each succeeding month for twenty four (24) months. The entire principal balance of the Note and all accrued but unpaid interest shall be payable on the second anniversary of the issuance of the Note. If any payment date shall be a day that is not a regular business day, then payment shall be due on the next regular business day thereafter. Buyer may prepay all or any portion of the principal of the Note from time to time without penalty; and

(ii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Sellers on the Closing Date (i) a Security Agreement substantially in the form of Exhibit B hereto (the "Security Agreement") granting a first priority security interest in the Assets conveyed to Buyer hereunder that are identified in the Security Agreement, and (ii) a collateral assignment of Buyer's rights in the Leases substantially in the form of Exhibit C hereto (the "Collateral Assignments").

(b) Concurrently with the execution of this Agreement, Buyer shall deliver to WashingtonFirst Bank (the "Escrow Agent") the sum of One Hundred Eight Two Thousand Five Hundred Dollars (\$182,500) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to Sellers as partial payment of the cash Purchase Price due at Closing to Sellers, or shall otherwise be made available to Sellers or released to Buyer in accordance with the provisions of this Agreement and the Escrow Agreement (provided, however, that the failure of the Escrow Agent to deliver the Earnest Money Deposit to Sellers at the Closing shall not relieve Buyer of its obligation to make full payment of the cash Purchase Price due at Closing). If Buyer fails to deliver the Earnest Money Deposit to the Escrow Agent within two (2) business days following the date of full execution of this Agreement, Sellers may elect to immediately terminate this Agreement.

(c) The parties agree to prorate all expenses arising out of the operation of the Acquired Stations which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the first to occur of the Commencement Date (as hereinafter defined) or the Closing Date (the "Effective Time"). The items to be prorated shall include, but not be limited to, lease payments, utilities charges, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, and similar prepaid and deferred items. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date.

(d) On or before the Closing Date, Sellers and Buyer shall mutually determine an allocation of Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, if Sellers and Buyer are unable to agree on an allocation of the Purchase Price on or before the Closing Date, Sellers and Buyer shall jointly engage John Pierce & Company to determine the allocation of the Purchase Price. The determination of such appraiser shall be binding on Sellers and Buyer (and the cost of such appraisal shall be borne one-half by Sellers and one-half by Buyer).

(f) Sellers may obtain a bona fide independent appraisal of the Stations and Assets conveyed hereunder, and to the extent that the appraised fair market value of the Stations and Assets exceeds the Purchase Price, Sellers may seek a charitable deduction with respect to the difference between the Purchase Price and the appraised value, provided, that Buyer's sole obligation shall be to offer reasonable cooperation to Sellers in connection therewith.

(g) Concurrently with the execution of this Agreement, Buyer, Galaxy Parent and Galaxy Albany shall execute the network affiliation agreement in form of Exhibit D hereto

(the "NAA"). The date of Commencement of the NAA is hereinafter referred to as the "Commencement Date."

3. **FCC Consent; Assignment Application.**

(a) At a date not later than ten (10) business days after the execution of this Agreement, Buyer and the respective FCC licensees of the Acquired Stations shall execute, file and prosecute applications with the FCC with all reasonable diligence (the "Assignment Application(s)") requesting its consent to the assignment, from such entity to Buyer, of all FCC Authorizations pertaining to the Acquired Stations held by such entity (the "FCC Consent(s)"). If the FCC Consent imposes any condition on any Seller or Buyer, such party will use commercially reasonable efforts to comply with such conditions but no party shall be required to comply with any condition that would have a material adverse effect on it ("Adverse Condition"), and in such event the adversely affected party would not be required to close hereunder and will have the right to terminate this Agreement without any further liability hereunder. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Article 11 hereof. Buyer and Sellers shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without unreasonable delay, and to promptly consummate this Agreement in full.

(b) Sellers hereby consent to and agree to cooperate with Buyer in connection with the filing of a request by Buyer for a waiver of the FCC's "main studio" rules for the Acquired Stations, such waiver to be effective on or after the Closing Date. Such request shall be made and prosecution thereof shall be conducted solely at Buyer's expense.

(c) An application for renewal of the FCC Licenses of Station WBOE(FM) (the "Renewal Application") is currently pending before the FCC. The parties acknowledge that under current FCC policy, the FCC will not grant an assignment application while a renewal application is pending. Sellers covenant to endeavor in good faith to obtain a grant of such renewal application as expeditiously as possible; provided, however, that Buyer acknowledges that to the extent reasonably necessary to expedite grant of the renewal application and thereby facilitate grant of the Assignment Application, Sellers shall be permitted to enter into a tolling agreement with the FCC to extend the statute of limitations for the FCC to determine or impose a forfeiture penalty against the Station ("Tolling Agreement") in connection with any pending complaints. Any such Tolling Agreement shall provide, among other matters, that Sellers shall retain liability for any monetary penalties imposed by the FCC in connection with any pending complaints.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer upon at least five (5) days prior written notice to the Sellers which shall be no later than ten (10) days following the date on which the FCC Consents shall have been issued and the other conditions to closing set forth in Article VIII hereof have either been waived or satisfied, provided, however, that Buyer may elect that the Closing Date shall occur on any later date which is not more than

ten (10) days after the FCC Consents shall have become Final Orders (as hereinafter defined) if (and only if), prior to ten (10) days following the date on which the FCC Consents shall have been issued, there shall have been filed any petition for reconsideration of, or objection to, such FCC Consents. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held take place by means of overnight and facsimile exchange of closing documents to be held subject to Sellers' receipt of the Purchase Price.

5. **Representations and Warranties of Seller.** Sellers hereby jointly and severally make the following representations and warranties to Buyer:

(a) Galaxy Parent is a limited partnership organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to do business as a foreign limited partnership in the State of New York. Each of Galaxy Albany and Galaxy Syracuse is a limited liability company organized, validly existing and in good standing under the laws of the State of New York. Each of the Sellers has the power and authority to execute and deliver this Agreement and the NAA as the case may be, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the NAA and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by each of the applicable Sellers and no other proceedings on the part of such Sellers are necessary to authorize this Agreement or the NAA to consummate the transactions contemplated hereby and thereby. This Agreement and the NAA have been duly and validly executed and delivered by the applicable Sellers and constitutes the legal, valid and binding obligation of such Sellers enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement and the NAA by the applicable Sellers will not (i) constitute a violation of or conflict with such Seller's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Acquired Stations and to which Sellers or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Sellers or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent or Landlord's consents to assignment of any Leases identified on Schedule 3 hereto (and the consent of the senior lender to Sellers, which consent Sellers will obtain prior to or at the Closing).

(c) Schedule 1 hereto contains a list of the Tangible Personal Property to be conveyed to Buyer and owned by Sellers for use in connection with the transmission operation of the Stations. Sellers own and have, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. The assets listed in Schedule 1 hereto include all material Tangible Personal Property necessary to conduct the transmission operations of the Stations as now conducted (other than those assets which are Excluded Assets). Each material item of Tangible Personal Property (i) is in normal operating condition and repair, ordinary wear and tear excepted, (ii) is available for immediate use in the business, and (iii) to Sellers' knowledge, does not contain PCBs in violation of the Environmental Laws (as hereafter defined). For purposes of this Section only, material Tangible Personal Property shall be such items of property valued at Two Hundred Fifty Dollars (\$250) or more.

(d) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Acquired Stations in the manner and to the full extent they are presently operated. Galaxy Albany and Galaxy Syracuse lawfully hold each of the FCC Authorizations and other licenses, permits and authorizations for their respective Acquired Stations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Acquired Stations. Except as set forth in Schedule 2, Sellers are operating the Acquired Stations in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"), including that the Acquired Stations are transmitting at no less than 90% of their authorized power. To Seller's knowledge, the Acquired Stations are not transmitting or receiving any objectionable interference to or from any other station. There is not now pending or, to Sellers' knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, adversely modify or refuse to renew any of such FCC Authorizations, and except as set forth in Schedule 2, Sellers have not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against any of the Acquired Stations or any of the Sellers. Except as set forth in Schedule 2, all material reports and filings required to be filed with the FCC by Galaxy Albany and Galaxy Syracuse with respect to the operation of their respective Acquired Stations have been timely filed, and all such reports and filings are accurate in all material respects and currently are in material compliance. Galaxy Albany and Galaxy Syracuse each maintains a public inspection file for the Acquired Stations and such file comply in all material respects with the Communications Laws.

(e) The towers specified for use in the operation of WBOE(FM) and the Syracuse Station are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration ("FAA") and the FCC. Sellers have complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of Sellers' antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. To the knowledge of Seller, the Albany Stations and the Syracuse Station towers have been properly registered with the FCC, if required, at the coordinates specified in the FCC Authorizations.

(f) Schedule 3 contains a description of the Syracuse Real Property as well as the real property used in connection with the Sellers' operation of the tower facilities of the Albany Stations (collectively the "*Real Properties*"), including, in the case of the Syracuse Real Property, a legal description. The Real Properties constitute the only real properties required to operate the transmission facilities of each of the Stations in the manner in which they are presently operated (other than the studio facilities currently used by Sellers). Sellers have valid interests in the Leases and fee simple ownership of the Syracuse Real Property described on Schedule 3, and as of the Closing Date, the Leases shall be free and clear of all liens, mortgages, pledges, covenants, restrictions, leases, charges, or other claims or encumbrances of any nature whatsoever, except for liens for taxes not yet due and payable, restrictions set forth by the terms of the Leases, and non-monetary encumbrances that do not have a material effect on the Buyer's ability to use the Facilities as radio station transmission facilities ("*Permitted Liens*").

(i) No party is in material breach or default with respect to a Lease, and each such Lease is in full force and effect, except as set forth on Schedule 3 hereto.

(ii) There is full legal and practical access to the Facilities and all utilities necessary for Buyer's use of the Facilities as a radio tower facility are installed and, to the knowledge of Sellers, are in working order.

(iii) Except as set forth on Schedule 3, to Seller's knowledge, the Syracuse Real Property and improvements constructed thereon, as well as the present uses thereof, conform in all material respects with all restrictive covenants and with all applicable zoning, environmental and building codes, laws, rules and regulations, including set back restrictions.

(iv) To Sellers' knowledge, except for the transmitter building located on the Syracuse Real Property on the date hereof, the building, tower, guys and other fixtures situated on the Syracuse Real Property and the WBOE(FM) tower site and used in connection with the Syracuse Station and WBOE(FM), are free of structural defects and, are in a good state of maintenance and repair (ordinary wear and tear excepted), are contained entirely within the bounds of the Syracuse Real Property and the real property on which the WBOE(FM) tower is located, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained. Sellers are not aware of any structural defects in the building, tower, guy or other fixture used by Sellers in connection with WBOE(FM) and located at the WBOE(FM) tower site. Sellers have received no notice that any such building, tower, guys or other fixtures is not contained entirely within the bounds of the real property on which such building, tower, guy and other fixture are located.

(v) To Sellers' knowledge, there is no pending condemnation or similar proceeding affecting the Syracuse Real Property or the real property on which the WBOE(FM) tower is located or any portion thereof, and no such action is presently contemplated or threatened.

(g) The instruments to be executed by Sellers and delivered to Buyer at the Closing, conveying the Assets to Buyer, will transfer good title to the Assets free and clear of all Liens except Permitted Liens.

(h) Buyer shall have no obligation to offer employment to any employee of Sellers or the Acquired Stations, and shall have no liability with respect to any such employee or for benefits of any kind or nature.

(i) Other than Bill Schutz and John Pierce & Company, to be compensated by Sellers, there is no broker or finder or other person engaged by Sellers who would have any valid claim for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Sellers.

(j) Sellers are not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Acquired Stations or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. Except as set forth in Schedule 4, there is no material litigation pending by or against, or to Sellers' knowledge, threatened against Sellers which relates to Sellers or the Acquired Stations and that could adversely affect any of the Assets. Sellers, with respect to the Acquired Stations, have complied in all material respects with all applicable laws, regulations, orders or decrees the non-compliance with which could have a material adverse effect on the Acquired Stations or the Assets. The present uses by Sellers of the Assets do not violate any such laws, regulations, orders or decrees in any material respect, and except as set forth in Schedule 4, Sellers have no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(k) All of the Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(l) Sellers have duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. No event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Sellers from any taxing authority.

(m) Sellers have complied and currently are, in the conduct of the operations of the Acquired Stations, in material compliance with, and, to Seller's knowledge, the Syracuse Real Property is in material compliance with, all applicable laws, statutes, rules, regulations, codes and ordinances of all U.S. federal, state and local government agencies and authorities relating to the discharge of air pollutants, water pollutants or process waste water, Hazardous Materials (as defined herein), or toxic substances, or otherwise relating to the environment, including without limitation the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory

Commission, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect ("Environmental Laws").

As used herein, the term "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. "Hazardous Materials" includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof). There are no underground storage tanks located on the Syracuse Real Property. There are not now, nor to Sellers' knowledge have there previously been, any other facilities on, under, or at the Syracuse Real Property which contained any Hazardous Materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

(n) No representation or warranty made by Sellers in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished pursuant to an express requirement of this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer.

6. **Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Sellers:

(a) Buyer is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California, is qualified or on the closing date will be qualified to do business as a foreign corporation in the State of New York, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the NAA and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or the NAA or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes, the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation, relating to its own

business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Sellers, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Stations. There are no facts that would, under existing law and the Communications Laws, disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the Acquired Stations. No waiver of or exemption from any FCC rule or policy is necessary for the FCC Consents to be obtained. Buyer has no knowledge of any matter with respect to its qualifications as assignee of the FCC Authorizations which might reasonably be expected to result in the FCC's denial or delay of approval of the Assignment Applications.

(e) Buyer has provided Sellers with the following financial statements (together the "*Financial Statements*"): (i) an audited consolidated statement of financial position of Buyer and subsidiary as of December 31, 2005, and the related consolidated statements of activities, natural expenses and cash flows for the year then ended; and (ii) an unaudited statement of financial position of Buyer as of November 30, 2006, and an unaudited statement of income and expenses of Buyer for the eleven-month period ended November 30, 2006. The Financial Statements are true, correct and complete in all material respects, and fairly present the cash flows, income, expenses and financial position of Buyer and subsidiary for the periods and as of the dates covered thereby.

(f) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement or the NAA.

(g) There is no broker or finder or other person engaged by Buyer who would have any valid claim against Buyer for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

7. **Covenants.** Sellers covenant with Buyer that, between the date hereof and the Closing Date, and subject to the terms of the NAA, Sellers shall act in accordance with the following:

(a) Sellers shall maintain the Tangible Personal Property included in the Assets in a good state of maintenance and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value as of the date hereof.

(b) Sellers shall continue to operate and maintain the Stations in accordance with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. Sellers will deliver to Buyer, promptly after filing, copies of any

reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Stations which are filed between the date of this Agreement and the Closing Date. Sellers will not file any application to adversely modify the Stations facilities without Buyer's prior written consent, and Sellers shall take all actions reasonably necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

(c) Sellers shall maintain in full force and effect, and shall not default under or permit the expiration (without renewal), termination or cancellation of any Lease, specifically including that Sellers, in consultation with Buyer, shall use commercially reasonable efforts to renew the expired Lease identified on Schedule 3 hereto as the WBOE(FM) transmission facility lease, for a term of at least five years from the date hereof and on financial and other terms reasonably acceptable to Buyer.

(d) Buyer and Galaxy Parent shall at Closing enter into a tower space lease for the transmission facilities of WSCP-FM for a term of at least ten years and at a nominal rental amount in the form of Exhibit E attached hereto (the "WSCP-FM Tower Lease").

(e) Sellers shall provide to Buyer any and all documents, reports, applications, plans, designs and agreements relating to the buildout of facilities for WBOE(FM) under BPH-20040227ABA, and such other information as Buyer may reasonably request with respect thereto.

(f) Sellers shall maintain in full force and effect through the Closing Date property damage, liability and other insurance with respect to the Assets in coverage amounts consistent with recent past practice.

(g) Prior to the Closing Date, Sellers shall not, without the prior written consent of Buyer sell, lease, transfer or agree to sell, lease or transfer any of the Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value, or create any Lien on the Assets except Permitted Liens and Liens which will be satisfied at Closing.

(h) On or before the Closing Date, Sellers shall use commercially reasonable efforts to obtain, as and if required, consents to assignment of any Leases from the landlords of each of the Leases, and an Estoppel Certificate in reasonable and customary form (provided that Sellers' failure to obtain such consents or estoppel certificates shall not, as long as Sellers shall have exerted commercially reasonable efforts to do so, cause Sellers to be in breach or default hereunder).

(i) On or before the Closing Date, Sellers shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Sellers shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Sellers prior to the date hereof, of any of Sellers representations or warranties contained in this Agreement or in any Schedule. Sellers shall give prompt written

notice to Buyer if the Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Station.

(j) Sellers shall comply in all material respects with all applicable federal, state and local laws, rules and regulations applicable to the Acquired Stations or the Assets the non-compliance with which could have a material adverse effect on the Acquired Stations or the Assets.

(k) Buyer shall use commercially reasonable efforts to obtain consents to the Collateral Assignments from each of the landlords under the Leases substantially in the form of **Exhibit F** hereto (provided that Buyer's failure to obtain such consents shall not, as long as Buyer shall have exerted commercially reasonable efforts to do so, cause Buyer to be in breach or default hereunder).

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Sellers hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Sellers:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date (including, without limitation, the payment of the Purchase Price as required under Section 2);

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consents shall be effective and, if Buyer shall have elected to delay the Closing as permitted under Section 4 hereof, shall have become Final Orders;

(iv) Buyer shall have delivered to Seller, on the Closing Date, the documents required to be delivered pursuant to Section 9(b).

(v) Buyer shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similarly proceeding.

(vi) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, the Buyer shall use its best efforts to cure the event as expeditiously as possible.

(vii) Buyer and Galaxy Parent shall have entered into the WSCP-FM Tower Lease.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Sellers shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement and the NAA to be performed or complied with by Sellers prior to or as of the Closing Date;

(ii) The representations and warranties of Sellers set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) None of the events or conditions referenced in Section 19 below shall have occurred and not been remedied as set forth in Section 19;

(iv) The FCC Consents shall be effective and, if Buyer shall have elected to delay the Closing as permitted under Section 4 hereof, shall have become Final Orders.

(v) There shall not be any Liens (other than Permitted Liens) on the Assets or any financing statements of record other than those to be satisfied by Sellers on or before the Closing Date, and Sellers shall have delivered to Buyer lien search reports, in form and substance satisfactory to Buyer and dated no earlier than 30 days prior to the Closing, reflecting the results of UCC lien searches conducted at Secretary of State offices of the State of Delaware and the State of New York, as applicable;

(vi) Buyer shall have entered into an Asset Purchase Agreement with M & D Translators, LLC ("MDT"), a New York limited liability company not affiliated with Sellers, to acquire the assets and FCC authorizations for FM translator W267AL, Syracuse, New York, and such transaction shall be consummated or stand ready to be consummated according to its terms. Consideration for such acquisition (with the reasonable consent of Sellers with respect to the amount thereof) shall be included in or credited against the cash Purchase Price payable by Buyer hereunder, and shall be paid to MDT at the closing of that transaction according to the purchase price established between Buyer and MDT;

(vii) The expired Lease identified on Schedule 3 hereto as the WBOE(FM) transmission facility lease shall have been renewed for a term of at least five years from the date hereof and on financial and other terms reasonably acceptable to Buyer;

(viii) Buyer and Galaxy Parent shall have entered into the WCSP-FM Tower Lease; and

(ix) Sellers shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

9. **Closing Deliveries.**

(a) At the Closing, Sellers will deliver to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(i) A Bill of Sale dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to Buyer the Tangible Personal Property and effectively vest in Buyer good and marketable title to the Tangible Personal Property;

(ii) An Assignment and Assumption of the Stations' FCC Authorizations;

(iii) The Assignment and Assumption Agreements of Real Property lease, duly executed by Sellers;

(iv) Consents to assignment of the Leases, if required therein, executed by the landlords thereof;

(v) An Estoppel Certificate, in customary form, executed by the Landlords of the Real Property leases, if obtained by Sellers;

(vi) The WSCP-FM Tower Lease;

(vii) Payoff letters from each lienholder, and authorized lien releases or commitments to promptly deliver lien releases with respect to the Assets;

(viii) Certified copies of the resolutions of the managers, member or board of directors of the general partners of Sellers as the case may be, authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

(ix) A certificate, dated the Closing Date, executed by an officer of Sellers, certifying the fulfillment of the conditions set forth in Section 8(b)(i) and (ii) hereof;

(x) A certificate of good standing or certificate of foreign qualification for each of the Sellers from the Secretary of State of the State of New York and the Secretary of State of Delaware, as applicable;

(xi) The Security Agreement and Collateral Assignments; and

(xii) Cancellations or terminations of the retransmission consent agreement and the option agreement between Galaxy Parent and MDT; and

(xiii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance satisfactory to Buyer and its counsel.

(b) Prior to or at the Closing, Buyer will deliver to Sellers the following, each of which shall be in form and substance satisfactory to Sellers and its counsel:

(i) The payments to be made pursuant to Section 2(a) hereof duly executed by Buyer, including the execution and delivery of the Note, the Security Agreement

and Collateral Assignments referred to therein (together with, if obtained, consents of landlords to such Collateral Assignments);

- (ii) An Assignment and Assumption of the Station's FCC Licenses;
- (iii) The Assignment and Assumption of the Leases, executed by Buyer;
- (iv) The WSCP-FM Tower Lease;
- (iv) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;
- (v) A certificate, dated the Closing Date, executed by the President of Buyer, certifying the fulfillment of the conditions set forth in Section 8(a)(i) and (ii) hereof;
- (vi) A certificate of good standing for Buyer from the Secretary of State of California and a certificate of authority to do business as a foreign corporation in New York; and
- (vii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Sellers shall reasonably request, each in form and substance satisfactory to Sellers and their counsel.

10. **Indemnification.**

(a) Following the Closing Sellers shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("*Damages*") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Sellers of any of their representations or warranties that survive the Closing, or failure by Sellers to perform any of their covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, arising from the ownership and operation of the Acquired Stations prior to the Effective Time, including the Retained Liabilities and with respect to the Excluded Assets (but excluding the Assumed Liabilities).

(b) Following the Closing Buyer shall indemnify, defend and hold Sellers harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Sellers directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, constituting Assumed Liabilities or arising from the ownership and operation of the Acquired Stations as conducted by Buyer subsequent to the Effective Time.

(c) If either party hereto (the "*Indemnatee*") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "*Indemnifying Party*") may be obligated to indemnify the Indemnatee under this Section 10(c), then the Indemnatee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnatee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnatee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnatee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnatee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter, and (iv) the Indemnatee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of Sellers and Buyer contained in or made pursuant to this Agreement, and the indemnification obligations of Sellers and Buyer under Section 10(a)(i) and 10(b)(ii), shall expire (i) in the case of the representations and warranties contained in Section 5(c) (other than the second sentence thereof) and Section 5(k), on the date that is six (6) months after the Closing Date, (ii) in the case of the representations and warranties contained in Sections 5(d), 5(e), 5(f), and 5(j), on the date that is one (1) year after the Closing Date, and (iii) in the case of all other representations and warranties, on the date that is two (2) years after the Closing Date.

(e) Sellers shall have no obligation or liability to indemnify Buyer under Section 10(a)(i) unless and until the aggregate amount of Damages incurred by Buyer exceeds the sum of \$37,500 (and then only for Damages in excess of such amount), or (ii) for Damages in excess of the aggregate amount of \$365,000; provided, however, that Sellers' obligation or liability to indemnify Buyer under Section 10(a)(i) shall extend to Damages not to exceed the sum of \$750,000 if, and only if, such Damages in excess of the sum of \$365,000 are directly attributable to Seller's breach of the representation and warranty set forth in Section 5(d) hereof. In the absence of actual fraud, a party's sole remedy for breach of a representation or warranty by another party shall be to exercise rights of indemnification set forth in this Section 10.

11. Termination.

(a) This Agreement may be terminated by either Buyer or Sellers, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein or in the NAA, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party (or, in the case of a breach by Buyer of its obligation to pay the Purchase Price in full at Closing, two (2) business

days after Buyer's receipt of notice of breach from Sellers); or (b) if the Assignment Application is denied by Final Order or designated for hearing by the FCC; or (c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (d) if the Closing has not occurred within twelve (12) months after the date hereof.

(b) Upon a termination of this Agreement by Sellers due to a breach by Buyer of any of its material obligations under this Agreement, Sellers sole remedy for said breach shall be to retain the Earnest Money Deposit, as liquidated damages; provided that Sellers will also be able to recover from Buyer all court costs, attorneys' fees and other out-of-pocket expenses incurred by Sellers in order to obtain such Earnest Money Deposit. Sellers and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm which would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(c) Upon a termination of this Agreement due to a breach by Sellers of any of their material obligations under this Agreement, Sellers shall promptly authorize the Escrow Agent to return to Buyer the Escrow Deposit, and Buyer may seek all other rights and remedies that it may have in equity or at law (provided that, if the breach by Sellers occurs by reason of a breach of a representation or warranty of Sellers which is not purposeful or willful, the amount of money damages that may be recovered by Buyer shall be limited to the sum of \$182,500 plus court costs, attorney's fees and other out-of-pocket expenses incurred in enforcing its rights under this Agreement).

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, neither party shall have any further obligation to the other under this Agreement.

12. **Specific Performance.** Sellers acknowledge that the Station(s) are unique assets not readily obtainable on the open market and that, in the event that Sellers is found by a court of competent jurisdiction to have failed to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Sellers agree and acknowledge that in the event of Sellers failure to perform its obligation to consummate the transaction contemplated hereby is found by such court, Buyer shall be entitled, in addition to any other rights and remedies on account of such failure (subject to the limitation on Buyer's right to money damages under certain circumstances set forth in Section 11(c)), to specific performance of the terms of this Agreement and of Sellers' obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Sellers shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Sellers all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

13. **Confidentiality.**

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 13(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 13(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

(c) Notwithstanding anything to the contrary set forth in this Section 13, Sellers shall be permitted to disclose confidential information of Buyer to Sellers' senior lender, provided that such senior lender is notified of the confidential nature of such information.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Sellers, to:

Galaxy Communications, L.P.
235 Walnut Street
Syracuse, NY 13202
Attention: Mr. Ed Levine
Telephone Number: (315) 472-9111
Email Address: GalaxyCEO@aol.com

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

Cohn Birnbaum & Shea, P.C.
100 Pearl Street, 12th Floor
Hartford, Connecticut 06103
Attention: Michael F. Mulpeter, Esq.
Telephone Number: (860) 493-2200
Email Address: MMulpeter@CB-Shea.com

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President

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

David D. Oxenford, Esq.
Davis Wright Tremaine LLP
1500 K Street, NW, Suite 450
Washington, D.C. 20005

15. **Governing Law; Jurisdiction; Waiver of Jury Trial.** This Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to the choice of law principles thereof. The parties hereby submit to the exclusive jurisdiction of the state or federal courts located in New York, New York for purposes of litigating any dispute or matter arising under this Agreement. The parties hereby irrevocably waive their right to jury trial in any dispute or matter arising under this Agreement.

16. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The FCC filing fees relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Sellers, on the other hand. Real property transfer tax shall be paid by Sellers. All federal, state, local and other sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid by Sellers.

19. **Risk of Loss.** (a) The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Sellers. Sellers shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that the Assets with a value of greater than One Hundred Thousand Dollars (\$100,000) (with respect to any Station) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Sellers repair or replace such Assets, or (ii) elect to close with the Assets in their current condition, in which case Sellers shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility (and Sellers shall thereafter have no obligation or liability) to repair or replace the Assets, or (iii) terminate this Agreement. Sellers shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds One Hundred Thousand Dollars (\$100,000), provided, however, that should Sellers not advise Buyer within five (5) days after being requested to do so that Sellers will repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Sellers.

(b) Sellers shall promptly notify Buyer if the normal broadcast transmission of any of the Acquired Stations is interrupted, interfered with or in any way impaired and shall describe the measures being taken to correct such problem, provided that (i) if an Acquired Station is off the air for more than one hundred forty-four (144) consecutive hours, or (ii) if more than four (4) such events occur within any sixty (60) day period, then Buyer shall have the right to terminate this Agreement without further obligation to Sellers. If Buyer elects not to terminate this Agreement pursuant to this Section 19(b), Buyer shall have the option to defer the Closing until such time that the Acquired Station's operations have been restored to the operating power and mode tolerances specified in 47 C.F.R. § 73.1560.

20. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may

voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party (which may be withheld for any reason); provided, however, that Sellers may, without the consent of Buyer, assign their rights under this Agreement to Sellers' senior lender. In connection with such assignment of rights to Sellers' senior lender, Buyer shall execute and deliver a consent and agreement substantially in the form of Exhibit G attached hereto.

21. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

[Remainder of Page Intentionally Blank; Signature Page Follows]

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

Sellers:

GALAXY COMMUNICATIONS, LP, by its
general partner GC RADIO, INC.

By: _____
Name:
Title:

GALAXY ALBANY LICENSEE, LLC

By: _____
Name:
Title:

GALAXY SYRACUSE LICENSEE, LLC

By: _____
Name:
Title:

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

By: _____
Name:
Title:

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

Sellers:

**GALAXY COMMUNICATIONS, LP, by its
general partner GC RADIO, INC.**

By: 
Name: Edward F. Levine
Title: President

GALAXY ALBANY LICENSEE, LLC

By: 
Name: Edward F. Levine
Title: President

GALAXY SYRACUSE LICENSEE, LLC

By: 
Name: Edward F. Levine
Title: President

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

By: _____
Name:
Title:

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

Sellers:

GALAXY COMMUNICATIONS, LP, by its
general partner **GC RADIO, INC.**

By: _____
Name:
Title:

GALAXY ALBANY LICENSEE, LLC

By: _____
Name:
Title:

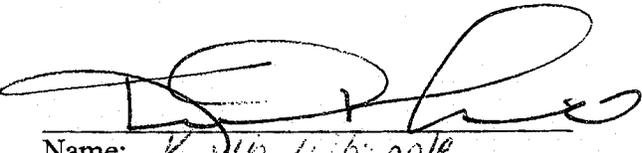
GALAXY SYRACUSE LICENSEE, LLC

By: _____
Name:
Title:

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: 
Richard Jenkins
President

By: 
Name: Keith Whipple
Title: Secretary