

ASSET PURCHASE AGREEMENT

by and between

PJ Radio, L.L.C.

and

Sunrise Broadcasting Corporation

for the Sale and Purchase of

WTSX(FM), Lehman Township, PA

and

WDLC(AM), Port Jervis, NY

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into this 2nd day of August, 2011 (the "Execution Date"), by and between PJ Radio, L.L.C., a Delaware limited liability company ("Seller"), and Sunrise Broadcasting Corporation, a Delaware corporation ("Buyer"). Each of Buyer and Seller is hereinafter sometimes referred to individually as a "Party" and together, collectively, as the "Parties."

WITNESSETH:

WHEREAS, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "FCC") for the operation of WTSX(FM), Lehman Township, PA, FCC Facility No. 53036 ("WTSX"), and WDLA(AM), Port Jervis, NY, FCC Facility No. 53035 (collectively, the "Stations");

WHEREAS, on March 16, 2009, the FCC granted Seller's application for a construction permit (the "Permit") to relocate the transmission facilities for WTSX to a transmitter site in Lehman Township, Pennsylvania (the "Lehman Township Site") identified in such application (FCC File No. BPH-20081104AFA) (the "Relocation Application"), Seller has completed construction of the facilities described in the Relocation Application and has filed an application for covering license for the Permit ("Covering License");

WHEREAS, Seller owns or leases the assets, property and equipment used in the operation of the Stations;

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain of the assets, property and equipment used in the operation of the Stations;

WHEREAS, Sunrise Broadcasting of New York, a commonly owned and controlled affiliate of Buyer ("Sunrise NY") operates the Stations pursuant to a Time Brokerage Agreement dated as of January 31, 2005, by and between Seller and Sunrise NY (the "TBA"); and

WHEREAS, the assignment of the licenses issued by the FCC for the operation of the Stations is subject to the prior approval of the FCC.

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

SECTION 1 **ASSETS TO BE SOLD**

1.1 **Assets to be Sold at Closing.** On the Closing Date, Seller shall sell, assign, transfer, convey, and deliver to Buyer, and Buyer shall purchase the following assets (collectively, the "Assets") free and clear of any security interests, claims, encumbrances, liens or liabilities except for Permitted Liens (as defined below):

1.1.1 **Authorizations**. All licenses, permits and authorizations issued or granted by the FCC for the operation of the Stations (hereinafter, the “FCC Authorizations”) which are listed in **Schedule 1.1.1**;

1.1.2 **Tangible Personal Property**. All of Seller’s rights in and to the tangible personal property listed in **Schedule 1.1.2**, together with replacements thereof, made between the date hereof and the Closing Date (collectively, the “Tangible Personal Property”);

1.1.3 **Agreements**. All Seller’s rights to and in the contracts, agreements and real property leases to which Seller or the Stations are a party and are listed in **Schedule 1.1.3**, (collectively, the “Agreements”), together with all contracts and agreements and leases, entered into or acquired by the Seller between the date hereof and the Closing Date that Buyer expressly agrees to assume at Closing. (All agreements referenced in this *Section 1.1.3* are referred to as the “Assumed Agreements”);

1.1.4 **Intangible Assets**. All right, title and interest of Seller in and to the intangible property of Seller used or useful in the operation of the Stations as set forth on **Schedule 1.1.4** (collectively, the “Intangible Assets”);

1.1.5 **Real Property**. All of Seller’s rights and interests in the real property listed on **Schedule 1.1.5** (the “Real Property”); and

1.1.6 **Business Records**. Copies of files and records of Seller relating solely to the Assets or Seller’s operation of the Stations (collectively, “Business Records”).

1.2 **Excluded Assets**. The Assets shall not include the following assets, nor any of Seller’s rights, title and interest therein (collectively, the “Excluded Assets”):

1.2.1 All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in banks;

1.2.2 Seller’s accounts receivable for services performed by it in connection with the operation of the Stations attributable to the period prior to Closing;

1.2.3 All claims, rights and interest of Seller to any (i) refunds of taxes or fees of any nature whatsoever or (ii) deposits or utility deposits, which in each case relate solely to the period prior to the Closing Date;

1.2.4 All contracts that have terminated or expired prior to the Closing Date in the ordinary course of business or as permitted hereunder;

1.2.5 All contracts of Seller not assumed by Buyer, including the TBA, which shall terminate in accordance with its terms as of Closing;

1.2.6 Seller’s legal name, limited liability company (“LLC”) seals, minute books, certificate of formation, operating agreement, LLC records, LLC membership interest record books, employee records, and such other books and records as pertain to the organization,

existence or membership capitalization of Seller, as well as any other records or materials relating to Seller generally and not involving the Assets or operation of the Stations;

1.2.7 Contracts of insurance, including the cash surrender value thereof, and all insurance proceeds or claims made by Seller prior to the Closing Date;

1.2.8 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; and

1.2.9 The other assets and interests listed in **Schedule 1.2.9**.

1.3 **Permitted Liens.** For purposes of this Agreement, “Permitted Liens” shall consist only of (i) liens for taxes, assessments, or fees assessed or imposed by a public body upon the Assets or any part thereof, provided such taxes, assessments, or fees are not yet due and payable; (ii) zoning laws and ordinances; and (iii) those additional liens described on **Schedule 1.3**, each of which liens on **Schedule 1.3** shall be removed prior to the Closing.

SECTION 2 **PURCHASE PRICE**

2.1 **Purchase Price.** In consideration of Seller’s performance of this Agreement, the total purchase price (the “Purchase Price”) to be paid by Buyer to Seller shall be THREE HUNDRED TWENTY ONE THOUSAND TWO HUNDRED DOLLARS (\$321,200.00), as adjusted pursuant to *Section 3* hereof. The Purchase Price shall be paid as follow at Closing:

(a) The Deposit (as defined below) shall be credited against the Purchase Price; and

(b) Buyer shall pay the balance of the Purchase Price, as adjusted pursuant to *Section 3* hereto, in cash by wire transfer of immediately available funds to an account designated by Seller in writing at least three (3) days prior to Closing.

2.2 **Deposit.** Contemporaneously with the execution and delivery of this Agreement, Buyer shall have delivered to Seller THIRTY-TWO THOUSAND ONE HUNDRED TWENTY DOLLARS (\$32,120.00) in cash by wire transfer of immediately available funds (the “Deposit”) to be held by Seller to secure Buyer’s performance of its obligations under this Agreement.

SECTION 3 **ADJUSTMENTS**

3.1 Prorations and Adjustments.

3.1.1 Subject to the provisions contained in the TBA, all income and normal operating expenses of Seller arising from conduct of the business and operation of the Stations, including, without limitation, assumed liabilities and prepaid expenses, taxes and assessments

(but excluding taxes arising by reason of the sale of the Assets hereunder, which shall be paid as set forth in *Section 14*), power and utilities charges, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer in accordance with Generally Accepted Accounting Principles (“GAAP”) to reflect the principle that Seller shall be entitled to all income and be responsible for all expenses arising from, or attributable to, the conduct of the business and operation of the Stations through 11:59 p.m. on the Closing Date (the “Adjustment Time”) and Buyer shall be entitled to all income and be responsible for all expenses arising from, or attributable to, the conduct of the business and operation of the Stations after the Adjustment Time. The prorations and adjustments to be made pursuant to this *Section 3.1* are referred to as the “Closing Date Adjustments.” Three (3) days prior to the Closing Date, Seller shall estimate all Closing Date Adjustments pursuant to this *Section 3.1* and shall deliver to Buyer a statement setting forth the Closing Date Adjustments (which statement shall set forth in reasonable detail the basis for those estimates). At the Closing, the net amount due to the Buyer or Seller as a result of the estimated Closing Date Adjustments (excluding any item that is in good faith dispute) shall be applied as an adjustment to the Purchase Price as appropriate.

3.1.2 Within thirty (30) days after the Closing, Buyer shall deliver to Seller a statement of any adjustments to Seller’s estimate of the Closing Date Adjustments, and no later than the close of business on the 10th day after the delivery to Seller of Buyer’s statement (the “Payment Date”), Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). Except with respect to items that Seller notifies Buyer that it objects to prior to 5 p.m. on the Payment Date, the adjustments set forth in Buyer’s statement shall be final and binding on the Parties effective at 5 p.m. on the Payment Date. If Buyer disputes Seller’s determinations, the Parties shall confer with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the Parties within ten (10) business days after such agreement; provided, however, that if the Parties are unable to resolve the matter, they shall select a recognized firm of independent certified public accountants (the “Accounting Firm”) to resolve the matter, whose decision on the matter shall be binding and whose fees and expenses shall be borne equally by the Parties, and an appropriate adjustment and payment shall be made based on the resolution by the Accounting Firm within thirty (30) business days after such resolution.

SECTION 4 **FCC CONSENT**

4.1 **FCC Consent.** The Parties acknowledge that consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to prior FCC consent to the assignment of the FCC Authorizations from Seller to Buyer.

4.2 Application For FCC Consent.

4.2.1 The Parties agree to proceed expeditiously and use their commercially reasonable efforts to obtain the FCC’s consent to the assignment of the FCC Authorizations from Seller to Buyer (the “FCC Consent”). Within five (5) business days after the Execution Date, Seller and Buyer shall each have prepared its portion(s) of the applications necessary to assign the FCC Authorizations from Seller to Buyer (the “Assignment Applications”) and the

Assignment Applications shall have been filed with the FCC. Seller and Buyer further agree to prepare amendments to the Assignment Applications, respond to oral or written inquiries, and answer pleadings, in all cases, acting as expeditiously as possible, whenever such actions are required by the FCC or its rules.

4.2.2 Each Party shall bear its own expenses incurred in the preparation, filing and prosecution of the Assignment Applications. The Parties agree that counsel for Seller shall file the Assignment Applications.

4.2.3 Each Party agrees to comply with any condition imposed on it by the FCC in the FCC Consent, 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. The Parties shall oppose any efforts for reconsideration or judicial review of the FCC Consent (but nothing in this Section shall limit any Party's right to terminate this Agreement in accordance with the terms hereof).

SECTION 5 **ASSUMPTIONS**

5.1 **Buyer's Assumption of Liabilities.** In addition to those obligations and liabilities assumed under, arising out of, or caused by Sunrise NY's actions or omissions in connection with the matters contemplated by the TBA, or the failure of Sunrise NY to perform or discharge any obligations required by the TBA, which obligations and liabilities shall be performed or fulfilled by Sunrise NY, upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall pay, perform and discharge in accordance with their terms, the following obligations and liabilities of Seller:

(a) All liabilities and obligations that relate to the business and operation of the Stations or the ownership of the Assets attributable to the period after the Closing;

(b) All liabilities and obligations in respect of which an adjustment is made to the Purchase Price in favor of Buyer pursuant to *Section 3.1.1*, but only to the extent of such adjustment; and

(c) All liabilities and obligations under the Assumed Agreements to the extent arising, or attributable to the period, after the Closing.

All of the foregoing in clauses (a) – (c) are collectively the “Assumed Obligations.” Except as specifically assumed by Buyer in this Agreement or undertaken by Sunrise NY pursuant to the TBA, Buyer 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 (the “Excluded Obligations”).

5.2 **Seller's Retention of Liabilities.** Seller shall remain liable for and shall pay, satisfy, or discharge when due, all Excluded Obligations.

SECTION 6

REPRESENTATIONS, AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

6.1 **Organization and Standing.** Seller is a limited liability company organized under the laws of the State of Delaware and is duly qualified to do business and is in good standing in the State of New York.

6.2 **Authorization and Binding Effect of Agreement.** Seller has all necessary power and authority to enter into this Agreement and to execute all of Seller's Closing Documents (as defined below) that require Seller's signatures. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and Seller's Closing Documents (on the Closing Date) are or will be authorized by all necessary actions of Seller. This Agreement constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with the terms of this Agreement, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. Upon execution, Seller's Closing Documents will constitute valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally.

6.3 **No Conflict.** Except as set forth on **Schedule 6.3**, the execution, delivery, and performance of this Agreement and of Seller's Closing Documents do not violate any provision of the certificate of formation or operating agreement of Seller, nor do such acts violate in any material respect any contract provision or other commitment to which Seller or the Stations is a party or under which Seller or its property is bound, or any judgment or order applicable to Seller, and to Seller's knowledge, such acts will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any of the Assets.

6.4 Real and Tangible Personal Property.

6.4.1 **Real Property Leases.** **Schedule 1.1.3** attached hereto accurately describes in all material respects the real property leased by Seller for the operation of the Stations (the "**Leases**"). The Leases are in full force and effect. To Seller's knowledge, Seller's activities with respect to the operation of the Stations comply in all material respects with the terms of such leases and with all applicable zoning, environmental, and building codes, laws, rules and regulations. To Seller's knowledge, there is no pending or threatened condemnation or eminent domain proceeding that could reasonably be expected to have a material adverse effect on Buyer's use of the real property leased to Seller under the Leases.

6.4.2 **Owned Real Property.** **Schedule 1.1.5** attached hereto accurately describes in all material respects the Real Property. Seller has marketable fee simple title to the

Real Property, free and clear of all liens, charges, encumbrances, restrictions, debts, demands, or claims of any kind or nature whatsoever, other than the Permitted Liens. To Seller's knowledge, there are no encroachments upon the Real Property by any buildings, structures, or improvements located on adjoining real estate, and none of the buildings, structures, or improvements constructed on the Real Property encroaches upon adjoining real estate. To Seller's knowledge, there are no material structural defects in the buildings, structures, or improvements located on the Real Property. There is legal access from the Real Property to a public roadway. All utilities that are required for the use of the Real Property for the purposes for which such properties are presently being used by Seller are connected and are in satisfactory working order (subject to normal wear and tear).

6.4.3 **Tangible Personal Property.** To Seller's knowledge, **Schedule 1.1.2** attached hereto accurately lists in all material respects all material items of Tangible Personal Property owned, leased, or otherwise held by Seller and used in the operation of the Stations. Except as provided in **Schedule 1.1.2**, Seller has, or prior to the Closing will have, valid title to all of the Tangible Personal Property listed in **Schedule 1.1.2**, free and clear of all liens, charges, encumbrances, restrictions, debts, demands, or claims of any kind or nature whatsoever, other than the Permitted Liens.

6.5 **Agreements.** **Schedule 1.1.3** accurately lists in all material respects the Assumed Agreements. The Assumed Agreements are in full force and effect and Seller is not in material breach thereof.

6.6 **Authorizations.** To Seller's knowledge, all FCC Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act of 1934, as amended (the "**Communications Act**"), and the FCC Authorizations include all FCC licenses, permits, or other authorizations necessary for lawful operation of the Stations as such operation is currently conducted. To Seller's knowledge, there are no actions pending or threatened before the FCC or other body to revoke, refuse to renew, suspend or modify any of the FCC Authorizations. Seller's activities with respect to the Stations have complied in all material respects with all terms and conditions imposed on it by the FCC Authorizations.

6.7 **Litigation; Compliance With Law.** To Seller's knowledge, Seller's activities with respect to the Stations are in compliance in all material respects with the Communications Act and all rules and regulations issued thereunder. Except for proceedings affecting the broadcasting industry in general, there is no complaint, claim, litigation, investigation or other proceeding pending, or to Seller's knowledge, threatened, against the Stations or Seller.

6.8 **Employees and Labor Relations.**

6.8.1 Seller: (a) is not a party to any collective bargaining agreement covering or relating to any of the Stations' employees; and (b) other than as disclosed in the Schedules, has not promulgated any policy or entered into any agreement relating to the payment of pensions, profit sharing, or bonuses to any of its employees for which Buyer will be liable.

6.8.2 To Seller's knowledge, Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor.

6.9 Taxes and Other Matters.

6.9.1 **Payment of Taxes.** To Seller's knowledge, Seller has paid all taxes required to have been paid by the Seller relating to the Assets or the operation of the Stations the failure to pay which could result in a liability or obligation of Buyer.

6.9.2 **Bankruptcy.** No voluntary or, to Seller's knowledge, involuntary petition in bankruptcy, receivership, insolvency, or reorganization with respect to Seller, or petition to appoint a receiver or trustee of Seller's property, has been filed by or, to Seller's knowledge, against Seller.

6.9.3 Environmental Matters.

(a) To Seller's knowledge, Seller's activities with respect to the operation of the Stations have 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, public health and safety, and employee health and safety.

(b) To Seller's knowledge, Seller has no liability for environmental damage to the Real Property or for environmental illness or personal injury relating to Seller's activities with respect to the operation of the Stations.

SECTION 7
REPRESENTATIONS WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

7.1 **Organization and Standing.** Buyer is a corporation organized and in good standing under the laws of the State of New York.

7.2 **Authorization and Binding Effect of Agreement.** Buyer has all necessary power and authority to enter into this Agreement and to execute all of Buyer's Closing Documents (as defined below) that require Buyer's signatures. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and Buyer's Closing Documents (on the Closing Date) are or will be authorized by all necessary actions of Buyer. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms of this Agreement, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. Upon execution, Buyer's Closing Documents will constitute valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally.

7.3 **No Conflict.** The execution, delivery, and performance of this Agreement and all of Buyer's Closing Documents do not violate the certificate of incorporation or by-laws of Buyer, nor do such acts violate in any material respect any contract provision or other commitment to which Buyer is a party or under which Buyer or its property is bound or any judgment or order applicable to Buyer.

7.4 **Litigation.** Except for proceedings affecting the broadcasting industry in general, there is no complaint, claim, litigation, investigation or other proceeding pending, or to Buyer's knowledge, threatened, against the Buyer.

7.5 **Buyer's Qualifications.** There is no fact that would, under present law (including the Communications Act) and the present rules and regulations of the FCC, disqualify Buyer from being the assignee of the FCC Authorizations.

7.6 **Financial Qualifications.** Buyer has available sufficient funds to enable it to consummate the transactions contemplated hereby.

SECTION 8

CONDUCT OF BUSINESS PRIOR TO CLOSING

8.1 **Affirmative Covenants of Seller.** From the date of this Agreement until the Closing Date, Seller shall, subject to the provisions of the TBA and Seller's right to relocate WTSX as provided in Section 8.8:

8.1.1 Operate the Stations in accordance in all material respects with the rules and regulations of the FCC and the FCC Authorizations.

8.1.2 Deliver to Buyer within ten (10) days after filing thereof with the FCC copies of any and all reports, applications, and/or responses relating to the Stations which are filed with the FCC on or prior to the Closing Date, including a copy of any FCC correspondence to which the filing is responsive.

8.1.3 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, the Stations, or the operation thereof, without the consent of Buyer, which consent shall not be unreasonably withheld:

8.2.1 Except as provided in Section 8.8, by any act or omission surrender, modify adversely, forfeit, or fail to renew the FCC Authorizations or give the FCC grounds to institute any proceeding for the revocation, suspension or adverse modification of any FCC Authorization, or fail to prosecute with due diligence any pending applications with respect to such FCC Authorizations.

8.2.2 Other than in the usual and ordinary course of business or in connection with the relocation of the WTSX pursuant to Section 8.8, sell or dispose of any of the Assets.

8.2.3 Create or suffer or permit the creation of any mortgage, security interest, lien, pledge, or encumbrance on any of the Assets or with respect thereto, other than Permitted Liens.

8.3 **Access to Information**. Seller shall furnish to Buyer such information and materials concerning the Assets and the Stations' affairs as Buyer may reasonably request in connection with the consummation of the transaction contemplated hereby.

8.4 **Restrictions on Buyer**. Nothing contained in this Agreement shall give Buyer any right to control Seller's personnel or finances or the programming or operations of the Stations prior to the Closing Date, and Seller shall have complete control of Seller's personnel and finances and the programming and operation of the Stations between the date hereof and the Closing Date.

8.5 **Buyer's Covenants**. From the date of this Agreement until the Closing Date, Buyer shall take no action, or fail to take any action, that would disqualify Buyer from becoming the licensee of the FCC Authorizations or delay the grant of the Assignment Applications. 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.

8.6 **TBA**. Notwithstanding any prior correspondence, including the letter from Seller to Buyer dated November 14, 2010, the TBA shall remain in effect until the earlier of the Closing Date or the date this Agreement is terminated in accordance with its terms. Seller waives all rights to payments under the TBA for the period commencing on November 1, 2010, and ending upon the termination of the TBA in accordance with its terms. Sections 14 and 15 of the TBA and the letter dated October 30, 2009 from Seller to Buyer shall have no further force or effect. Sunrise NY shall be solely responsible for all costs and expenses relating to or arising from Sunrise NY's provision of programming for broadcast on the Stations and the performance by Sunrise NY of its other rights and obligations under the TBA.

8.7 **Application for Additional Permit**. Buyer, at Buyer's expense, may prepare and present to Seller for filing with the FCC an application to relocate the WTSX transmitter site to a new location acceptable to Seller (the "New Site Application"). At Buyer's request, Seller promptly shall file with the FCC the New Site Application so long as the location specified in the New Site Application is acceptable to Seller and the New Site Application complies with all requirements of the rules and policies of the FCC. Buyer promptly shall reimburse Seller for all reasonable costs and expenses, including reasonable attorneys fees, incurred by Seller in reviewing, filing and responding to any inquiries from the FCC regarding the New Site Application. Except as provided in this Section 8.7, Seller shall not have any obligation with respect to the New Site Application, and Buyer's obligations hereunder, including its obligation to consummate the Closing, shall not be affected by any action the FCC may take with respect to the New Site Application.

8.8 **Permitted Actions.** Notwithstanding any provision in this Agreement or the TBA to the contrary, Buyer acknowledges and accepts all actions taken by Seller with respect to Seller's (1) obtaining the FCC authorizations required for the construction, operation and licensing of the WTSX facilities described in the construction permit designated on Schedule 1.1.1 hereto as the "Construction Permit for Transition Facilities" and operating those facilities, (2) relocating WTSX to the Lehman Township Site, (3) following such relocation, conducting program tests at the Lehman Township Site, (4) in connection with the relocation of radio station WCTZ(FM), Port Chester, New York to New Rochelle, New York, discontinuing the operation of WTSX from its location in Port Jervis, New York and surrendering the Special Temporary Authority issued by the FCC for such location, (5) operating WTSX from the Lehman Township Site as Seller deems necessary and (6) the termination of the current tower lease for WTSX by and between Seller and Pinnacle Towers, LLC.

8.9 **Consents.** Buyer and Seller shall cooperate in good faith and use their commercially reasonable efforts to obtain any consent listed on **Schedule 6.3.**

SECTION 9 **CLOSING**

9.1 **Closing Date.** The closing of the transactions contemplated by this Agreement (the "Closing") shall take place on a date, to be set by Seller on at least five business days' written notice to Buyer, that is within ten business days following the date on which the FCC grants the FCC Consent (the "Closing Date"); and provided further that (A) if the conditions precedent to Closing in *Section 9.2* have not been satisfied (or waived by the Buyer), then Buyer shall not be obligated to proceed to Closing until such time as the conditions precedent have been satisfied (or waived by Buyer), and (B) if the conditions precedent to Closing in *Section 9.3* have not been satisfied (or waived by the Seller), then Seller shall not be obligated to proceed to Closing until such time as the conditions precedent have been satisfied (or waived by Seller). If Seller fails to give notice of the Closing Date by the date which is five business days prior to the end of such ten business-day period, the Closing Date shall be the last business day in such period, subject to satisfaction of condition precedents in Sections 9.2 and 9.3. The Closing shall occur via facsimile, electronic mail and/or overnight mail on the Closing Date.

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

9.2.1 Seller shall stand ready to deliver 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, 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 were made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement or any representation or warranty that is not true and correct as a result of actions taken or omitted by Buyer pursuant to this Agreement or the matters contemplated by the TBA.

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 Any consent designated on **Schedule 6.3** as a “Required Consent” shall have been obtained.

9.2.5 The FCC Consent shall have been granted and shall be in full force and effect, and Seller shall have satisfied each condition imposed on Seller in the FCC Consent, other than any condition that Seller is not required to fulfill under *Section 4.2.3*.

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

9.3.1 Buyer shall stand ready to deliver 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, shall be true and correct in all material respects at and as of Closing Date, with the same force and effect as if each such representation or warranty were made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement or any representation or warranty that is not true and correct as a result of actions taken or omitted by Seller pursuant to the matters contemplated by the TBA.

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 Any consent designated on **Schedule 6.3** as a “Required Consent” shall have been obtained.

9.3.5 The FCC Consent shall have been granted and shall be in full force and effect, and Buyer shall have satisfied each condition imposed on Buyer in the FCC Consent, other than any condition that Buyer is not required to fulfill under *Section 4.2.3*.

9.3.6 Buyer shall be prepared to perform all of the obligations set forth in *Section 2* of this Agreement with respect to the payment of the Purchase Price.

9.3.7 The FCC shall have issued the Covering License without any material adverse conditions, other than such conditions that appear on the face of the Covering License or arise under generally applicable FCC rules and policies.

SECTION 10

OBLIGATIONS AT CLOSING

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

10.1.1 A certificate, executed by a duly authorized officer of Seller, without personal liability, certifying that the conditions set forth in Sections 9.2.2 and 9.2.3 have been satisfied;

10.1.2 An executed Bill of Sale in form and substance reasonably satisfactory to Buyer transferring to Buyer the Tangible Personal Property to be transferred hereunder, except as provided in *Section 1.1.2* hereof, and the Intangible Assets;

10.1.3 An executed Assumption Agreement, in form and substance reasonably satisfactory to Buyer assigning to Buyer the Assumed Obligations of Seller under the Assumed Agreements;

10.1.4 An executed Assignment of Licenses in form and substance reasonably satisfactory to Buyer assigning the FCC Authorizations to Buyer;

10.1.5 A special or limited warranty deed conveying to Buyer the Real Property;
and

10.1.6 A certified copy of the resolutions of Seller authorizing the execution, delivery and performance of this Agreement by Seller and the consummation of the transactions provided for herein.

10.2 **Closing Documents to be Delivered by Buyer.** At the Closing, Buyer shall deliver to Seller the Purchase Price and the following (“Buyer’s Closing Documents”):

10.2.1 A certificate, executed by a duly authorized officer of Buyer, without personal liability, certifying that the conditions set forth in Sections 9.3.2 and 9.3.3 have been satisfied;

10.2.2 An executed Assumption Agreement, in form and substance reasonably satisfactory to Seller assuming the Assumed Obligations of Seller under the Assumed Agreements; and

10.2.3 A certified copy of the resolutions of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions provided for herein.

SECTION 11 **BROKERAGE**

Seller and Buyer each represents and warrants to the other that it is not required to pay any brokerage commission in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 12 **INDEMNIFICATION**

12.1 **Indemnification by Seller.** After the Closing, Seller agrees to indemnify and hold harmless Buyer from and against any and all losses and expenses incurred by Buyer arising from (but subject to the provisions of Sections 12.2 and 12.3):

- (i) any breach by Seller of, or any other failure of Seller to perform, any of its covenants, agreements or obligations in this Agreement; and
- (ii) any breach of any warranty or the inaccuracy of any representation of Seller contained in this Agreement or any certificate delivered by or on behalf of Seller pursuant hereto.

Notwithstanding anything to the contrary in this Agreement, Seller shall not be required to indemnify Buyer with respect to an aggregate claim for losses or expenses under clauses (i) and (ii) unless, and only to the extent that, the amount of such losses and expenses exceed FIFTY THOUSAND Dollars (\$50,000.00). The aggregate amount that Seller shall be required to indemnify and hold harmless pursuant to clauses (i) and (ii) with respect to losses and expenses incurred by Buyer shall not exceed the amount of the Purchase Price. In determining whether Seller shall be obligated to indemnify Buyer under this *Section 12.1*, each representation and warranty and each covenant contained in this Agreement with respect to which indemnity may be sought hereunder shall be read and construed in light of and with due consideration of any materiality qualifications that may be contained therein. Seller shall not be liable for any incidental or special damages or consequential damages, including lost profits or diminution in value. Seller shall not be liable for any losses or expenses suffered or incurred by Buyer in enforcing this indemnity (including costs of investigation, attorneys' fees, etc.) if it is finally determined that Buyer is not entitled to indemnification under this *Section 12.1* (by agreement of the Parties, by order of a court of competent jurisdiction or otherwise). The indemnification provided for in this *Section 12.1* shall terminate one (1) year after the Closing Date (and no claims shall be made by Buyer under this *Section 12.1* thereafter), except that the indemnification by Seller shall continue in any event as to any losses or expenses of which Buyer has notified Seller in accordance with the requirements of *Section 12.5* on or prior to the date such indemnification would otherwise terminate in accordance with this *Section 12.1*, as to which the obligation of Seller shall continue until the liability of Seller shall have been determined pursuant to this *SECTION 12*, and Seller shall have reimbursed Buyer for the full amount of such losses and expenses in accordance with this *SECTION 12*.

12.2 **Actions Pursuant to the TBA.** Notwithstanding anything contained in this Agreement to the contrary, Seller shall not be deemed to have breached any of its

representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer's obligation to perform under this Agreement (nor shall Seller have any indemnification or other liability or responsibility to Buyer in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case to the extent that the inaccuracy of any such representation, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent is principally caused by (i) any actions taken by or under the control of Buyer or Sunrise NY, or any affiliated entities (or any of its officers, directors, employees, agents or representatives) in connection with Sunrise NY's performance of its obligations under the TBA or otherwise, or (ii) the failure of Sunrise NY to perform or discharge any of its obligations as required by the TBA. Notwithstanding anything contained in this Agreement to the contrary, Seller shall not have any indemnification or other liability or responsibility to Buyer in respect of any obligations or liabilities assumed by Sunrise NY under the TBA or arising out of or caused by Sunrise NY's actions in connection with the TBA or failure to perform or discharge its obligations as required by the TBA. For the avoidance of any doubt, Buyer shall cause Sunrise NY to perform each representation, warranty, covenant, condition or other provision in this Agreement that applies to Sunrise NY, and Buyer shall be liable for any failure of Sunrise NY to perform such representation, warranty, covenant, condition or other provision in this Agreement.

12.3 **Knowledge Under the TBA.** Buyer acknowledges that Buyer has had the opportunity to conduct due diligence and investigation with respect to this transaction and that Buyer's controlled affiliate, Sunrise NY, has provided programming to the Stations under the TBA. Buyer further acknowledges that, to the extent Buyer or Sunrise NY or any of their advisors, agents, consultants or representatives, by reason of such due diligence and investigation, whether or not undertaken, knew or should have known that any representation and warranty made herein by Seller is or might be inaccurate or untrue, this constitutes a release and waiver of any and all actions, claims, suits, damages or rights to indemnity, at law or in equity, against Seller by Buyer arising out of breach of that representation and warranty.

12.4 **Indemnification by Buyer.** After the Closing, Buyer agrees to indemnify and hold harmless Seller from and against any and all losses and expenses incurred by Seller arising from:

- (i) any breach by Buyer of, or any other failure of Buyer to perform, any of its covenants, agreements or obligations in this Agreement;
- (ii) any breach of any warranty or the inaccuracy of any representation of Buyer contained in this Agreement or any certificate delivered by or on behalf of Buyer pursuant hereto; and
- (iii) the failure of Buyer to perform under any of the Assumed Agreements, Buyer's operation of the Stations and conduct of the Stations' business and/or the ownership and/or use of the Assets after the Closing.

Notwithstanding anything to the contrary in this Agreement, Buyer shall not be required to indemnify Seller with respect to an aggregate claim for losses or expenses under clauses (i)

and (ii) unless, and only to the extent that, the amount of such losses and expenses exceed FIFTY THOUSAND Dollars (\$50,000.00). The aggregate amount that Buyer shall be required to indemnify and hold harmless pursuant to clauses (i) and (ii) with respect to losses and expenses incurred by Seller shall not exceed the amount of the Purchase Price. In determining whether Buyer shall be obligated to indemnify Seller under this *Section 12.4*, each representation and warranty and each covenant contained in this Agreement with respect to which indemnity may be sought hereunder shall be read and construed in light of and with due consideration of any materiality qualifications that may be contained therein. Buyer shall not be liable for any incidental or special damages or consequential damages, including lost profits or diminution in value. Buyer shall not be liable for any losses or expenses suffered or incurred by Seller in enforcing this indemnity (including costs of investigation, attorneys' fees, etc.) if it is finally determined that Seller is not entitled to indemnification under this *Section 12.4* (by agreement of the Parties, by order of a court of competent jurisdiction or otherwise). The indemnification provided for in this *Section 12.4* shall terminate one (1) year after the Closing Date (and no claims shall be made by Seller under this *Section 12.4* thereafter), except that the indemnification by Buyer shall continue in any event as to:

(A) any losses or expenses incurred by Seller in connection with or arising out of the failure of Buyer to perform under any of the assumed Agreements or otherwise arising from the matters described in clause (iii) of this *Section 12.4*, as to which no time limitation shall apply; and

(B) any losses or expenses of which Seller has notified Buyer in accordance with the requirements of *Section 12.5* on or prior to the date such indemnification would otherwise terminate in accordance with this *Section 12.4*, as to which the obligation of Buyer shall continue until the liability of Buyer shall have been determined pursuant to this *SECTION 12*, and Buyer shall have reimbursed Seller for the full amount of such losses and expenses in accordance with this *SECTION 12*.

12.5 Notice of Claims.

(a) Any Party seeking indemnification hereunder (the "Indemnified Party") shall give promptly to the Party obligated to provide indemnification to such Indemnified Party (the "Indemnitor") a written notice (a "Claim Notice") describing in reasonable detail the facts giving rise to the claim for indemnification hereunder and shall include in such Claim Notice (if then known or estimable) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based. The failure of any Indemnified Party to give the Claim Notice promptly as required by this *Section 12.5* shall not affect such Indemnified Party's rights under this *SECTION 12* except to the extent such failure is actually prejudicial to the rights and obligations of the Indemnitor.

(b) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this *SECTION 12* shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree in writing. The judgment

or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of losses and expenses suffered by it.

12.6 Third Person Claims.

(a) In order for a Party to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a claim or demand made by any third Person against the Indemnified Party, such Indemnified Party must notify the Indemnitor in writing, and in reasonable detail, of the third Person claim promptly after receipt by such Indemnified Party of written notice of the third Person claim. Thereafter, the Indemnified Party shall promptly deliver to the Indemnitor copies of all notices and documents (including court papers) received by the Indemnified Party relating to the third Person claim.

(b) In the event of the initiation of any legal proceeding against the Indemnified Party by a third Person, the Indemnitor shall have the sole and absolute right after the receipt of notice, at its option and at its own expense, to be represented by counsel of its choice and to control, defend against, negotiate, settle or otherwise deal with any proceeding, claim, or demand which relates to any loss, liability or damage indemnified against hereunder; provided, however, that the Indemnified Party may participate in any such proceeding with counsel of its choice and at its expense. The Parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such legal proceeding, claim or demand. To the extent the Indemnitor elects not to defend such proceeding, claim or demand, and the Indemnified Party defends against or otherwise deals with any such proceeding, claim or demand, the Indemnified Party may retain counsel, reasonably acceptable to the Indemnitor, at the expense of the Indemnitor, and control the defense of such proceeding. Neither the Indemnitor nor the Indemnified Party may settle any such proceeding which settlement obligates the other party to pay money, to perform obligations or to admit liability without the consent of the other party, such consent not to be unreasonably withheld. After any final judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction and the time in which to appeal therefrom has expired, or a settlement shall have been consummated, or the Indemnified Party and the Indemnitor shall arrive at a mutually binding agreement with respect to each separate matter alleged to be indemnified by the Indemnitor hereunder, the Indemnified Party shall forward to the Indemnitor notice of any sums due and owing by it with respect to such matter and the Indemnitor shall pay all of the sums so owing to the Indemnified Party by wire transfer, certified or bank cashier's check within thirty (30) days after the date of such notice.

12.7 Limitations. In any case where an Indemnified Party recovers from third Persons any amount with respect to which an Indemnitor has indemnified it pursuant to this *SECTION 12*, such Indemnified Party shall promptly pay over to the Indemnitor the amount so recovered (after deducting therefrom the full amount of the expenses incurred by it in procuring such recovery), but not in excess of the sum of (i) any amount previously so paid by the Indemnitor to or on behalf of the Indemnified Party in respect of such matter and (ii) any amount expended by the Indemnitor in pursuing or defending any claim arising out of such matter. All losses and expenses shall be computed net of any insurance proceeds (less any

increase in premiums, reasonably attributable to such loss, for the one-year period following such loss) that reduce any damages that would otherwise be sustained.

12.8 **Treatment of Indemnity Payments.** All payments under this *SECTION 12* shall be treated for income tax purposes as adjustments to the Purchase Price.

12.9 **Indemnification Sole Remedy.** Notwithstanding any provision in this Agreement to the contrary, after the Closing the indemnification provided in this *SECTION 12* is the sole and exclusive remedy of a Party for the matters described in Sections 12.1 and 12.4 (excluding any breach or other failure to perform any covenant, agreement or obligation to be performed after the Closing), except in the case of fraud or willful misrepresentation.

SECTION 13 **RISK OF LOSS**

Except for damages or losses caused by or resulting from the actions of Sunrise NY under the TBA, or any action taken in connection with the TBA by Sunrise NY or any entities affiliated with Sunrise NY, 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, which impairs the ability of the Stations to broadcast is assumed and shall be borne by the Seller at all times before the Closing of this Agreement. 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 Asset or 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.

SECTION 14 **FEES AND EXPENSES**

Each Party shall pay its own attorneys' fees and expenses which it incurs in connection with the negotiation, execution and performance of this Agreement. Each Party shall pay one-half of all local transfer and title fees and sales taxes, if any, as well as any real estate transfer or recording fees assessed or levied in connection with the sale of the Assets hereunder. Buyer shall advance the FCC fees required in connection with the filing of the Assignment Applications, and Seller shall reimburse Buyer for one half of such FCC filing fees at Closing. Each Party shall pay all other fees and expenses incurred by it in connection with this transaction.

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

TERMINATION AND REMEDIES

16.1 **Termination.** This Agreement may be terminated prior to the Closing by either Party, if the Party seeking to terminate is not in material default or breach of this Agreement, after written notice to the other upon the occurrence of any of the following:

(a) if the other Party is in material breach or default of its respective covenants, agreements, or other obligations herein, or if any of its representations herein are not true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate;

(b) if the FCC denies the Assignment Applications or any part thereof or designates any part thereof for a trial-type hearing;

(c) if the Closing has not taken place within one (1) calendar year from the Execution Date, or

(d) if, on the date that would otherwise be the Closing Date, Seller or Buyer, as the case may be, has failed to comply with its obligations under *Section 9.2 or 9.3* of this Agreement, and does not cure such failure within ten (10) business days of such date.

16.2 **Default.** A Party shall be in “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. 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. Except for monetary defaults, if the default is not curable or has not been cured within fifteen (15) calendar 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 fifteen (15) calendar 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. Notwithstanding the foregoing, in the event of monetary default, time shall be of the essence, and this Agreement may be terminated immediately.

16.3 Seller's Compensation. 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 amount 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 retain the Deposit. The Parties agree that the amount of the Deposit 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. Buyer and Seller acknowledge and agree that this liquidated damage amount is reasonable in light of the anticipated harm that will 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 Return of Deposit. If this Agreement is terminated by Buyer pursuant to *Section 16.1(a)*, and Buyer is not then in breach of this Agreement, then the Deposit shall be returned to Buyer without limitation of any other remedies available to Buyer.

16.5 Specific Performance. Seller acknowledges that the Stations are unique assets not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled, in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

SECTION 17

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, addressed to the Party to be notified, as follows:

If to Seller:

PJ Radio, L.L.C.
Attention: James T. Morley, Principal
54 Huntington Road
Newtown, CT 06470
Telephone: (203) 426-5628
Fax: (203) 270-9213

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

Dow Lohnes PLLC
Attention: Michael Basile, Esquire
1200 New Hampshire Avenue, NW
Suite 800
Washington, DC 20036
Telephone: (202) 776-2556
Fax: (202) 776-2222

If to Buyer:

Sunrise Broadcasting Corporation
Attention: Mr. Joerg Klebe
661 Little Britain Road
New Windsor, NY 12553
Telephone: (845) 561-2131
Fax: (845) 561-2138

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

Cohn and Marks LLP
Attention: Jerold L. Jacobs, Esq.
1920 N Street, N.W. Suite 300
Washington, DC 20036-1622
Tel: (202) 452-4823
Fax: (202) 293-4827

Any Party may change its address for notices by written notice to the other Parties 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 18

MISCELLANEOUS

18.1 **Headings**. The headings of the Sections of this Agreement are for convenience of 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.

18.2 **Entire Agreement**. This Agreement and any other agreements entered into contemporaneously herewith 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 or particular 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 Parties and signed by the Party consenting to and to be charged with such waiver.

18.3 Confidential Nature of Information. The Parties agree that they will treat in confidence all documents, materials and other information which they shall have obtained regarding the other Parties during the course of the negotiations leading to the consummation of the transactions contemplated hereby (whether obtained before or after the date of this Agreement), the investigation provided for herein, under the TBA, and the preparation of this Agreement and other related documents, and, in the event the transactions contemplated hereby shall not be consummated, each Party will return to the other Parties all copies of nonpublic documents and materials which have been furnished in connection therewith. Without limiting the right of any Party to pursue all other legal and equitable rights available to it for violation of this *Section 18.3* by another Party, it is agreed that other remedies cannot fully compensate the aggrieved Party for such a violation of this *Section 18.3* and that the aggrieved Party shall be entitled to injunctive relief to prevent a violation or continuing violation hereof.

18.4 Binding Effect and Assignment. The rights and obligations of the Parties under this Agreement shall not be assignable or delegable without the written consent of the other Party hereto, which consent (including consent to assignment of the entire Agreement by Buyer or Seller to another related or unrelated entity) shall not be unreasonably withheld; provided, however, that Buyer or Seller may, in its sole discretion, refuse to consent to any such assignment that would occur following the filing of the Assignment Applications. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or entity other than the Parties and their successors and assigns permitted by this *Section 18.4* any right, remedy or claim under or by reason of this Agreement.

18.5 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, and/or the successful processing by the FCC of the applications to be filed with it, as provided in *Section 4.2*.

18.6 Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall comprise one and the same instrument. This Agreement and any agreement or certificate executed and delivered pursuant to this Agreement may be executed and exchanged by facsimile transmission or electronic mail transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of either party hereto, the other party hereto shall re-execute original forms thereof and deliver them to the requesting party. No party hereto shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or certificate was transmitted or communicated through the use of a facsimile machine or electronic mail, as a defense to the formation of a contract and each such party forever waives any such defense.

18.7 **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 attorneys' 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. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of pre-judgment interest from the date of the breach at the maximum rate of interest allowed by law.

18.8 **Governing Law**. The Parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of New York.

18.9 **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.

18.10 **Time is of the Essence**. Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

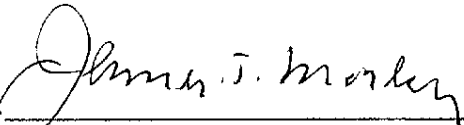
18.11 **Severability**. If any term or provision of this Agreement or its application is declared, to any extent, to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect; provided, however, no Party shall have any obligation to consummate the transactions contemplated by this Agreement if it is materially adversely affected by a determination that any term or provision of this Agreement or its application shall, to any extent, be invalid or unenforceable.

18.12 **Publicity**. The Parties agree that all public announcements relating to this Agreement or the transactions contemplated hereby, including announcements to employees, will be made only as may be agreed upon in writing by the Parties, which agreement shall not be unreasonably withheld.

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:

PJ RADIO, L.L.C.

By: 

Morley Broadcasting Company, L.L.C.,
Its Managing Member,
James T. Morley, Sole Member of
Morley Broadcasting Company, L.L.C.

BUYER:

SUNRISE BROADCASTING CORPORATION

By: _____
Joerg G. Klebe, President and Sole Shareholder

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:

PI RADIO, L.L.C.

By: _____
Morley Broadcasting Company, L.L.C.,
Its Managing Member,
James T. Morley, Sole Member of
Morley Broadcasting Company, L.L.C.

BUYER:

SUNRISE BROADCASTING CORPORATION

By:  _____
Joe G. Klebe, President and Sole Shareholder

LIST OF SCHEDULES

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SCHEDULE 1.1.1

FCC AUTHORIZATIONS

<u>Call Sign</u>	<u>Licensee</u>	<u>Class of Stations Or File Number</u>	<u>Channel</u>	<u>Expiration Date</u>
WTSX(FM), Lehman Township, PA (FCC Facility ID No. 53036)	PJ Radio, L.L.C.	FM Broadcast	244 (96.7 MHz)	August 1, 2014
Application for Special Temporary Authority to Remain Silent		BSTA- 20110609ACB		Pending (Application is moot with the filing of BLH- 20110630AAC)
Renewal		BRH-20060130AOQ		June 1, 2014 ¹
License		BLH-20110630AAC		August 1, 2014
WDLC(AM), Port Jervis, NY (FCC Facility ID No. 53035)	PJ Radio, L.L.C.	AM Broadcast	1490 MHz	June 1, 2014
Renewal		BR-20060130AOM		June 1, 2014
License		BZ-19830712AC		June 1, 2014
KY5549		Remote Pickup		June 1, 2014
WPW27		Aural STL		June 1, 2014

¹ When its 2006 renewal application was granted, WTSX was licensed to Port Jervis, NY. Licenses for radio stations licensed to communities in New York expire June 1, 2014, and that date is reflected on the WTSX renewal authorization. . Now that WTSX has been licensed at Lehman Township, Pennsylvania, the license authorization and FCC's CDBS database show an August 1, 2014 expiration date, which is the expiration date for Pennsylvania stations.

SCHEDULE 1.1.2

TANGIBLE PERSONAL PROPERTY TO BE CONVEYED

Location	Description
WTSX/WDCL Main Studio	Harris HT3.5FM Main FM Transmitter
WTSX/WDCL Main Studio	Gates FM1H3 Backup FM Transmitter
WTSX/WDCL Main Studio	Gates TE-3 FM Exciter
WTSX/WDCL Main Studio	Mod SCI CP-803 Composite Processor
WTSX/WDCL Main Studio	Moseley PCL-600/C 950 MHz STL Receiver
WTSX/WDCL Main Studio	Mod SCI SCA-186 Sidekick 92KHZ SCA Generator
WTSX/WDCL Main Studio	Bird 8833 1000 Watt Dummy Load
WTSX/WDCL Main Studio	APC BKS00MC UPS For Equip Rack
WTSX/WDCL Main Studio	Moseley LVK-3 Line Voltage Monitor
WTSX/WDCL Main Studio	Micronto 2-120A 12 VDC Power Supply
WTSX/WDCL Main Studio	Harris Spare Blower for HT3.5FM TX
WTSX/WDCL Main Studio	Various Test Equipment
WTSX/WDCL Main Studio	Various Spare Parts
WTSX/WDCL Main Studio	TASCAM 12MKII Cassette Machine, Rack Mount
WTSX/WDCL Main Studio	Technics SL-PG480A CD Player
WTSX/WDCL Main Studio	Technics SL-PG480A CD Player
WTSX/WDCL Main Studio	Symetrix 528E Voice Processor
WTSX/WDCL Main Studio	Gentner SPH-5 Telephone Hybrid
WTSX/WDCL Main Studio	Tascam BR-20 Reel-Reel Tape R/P
WTSX/WDCL Main Studio	Optimus SCT-49 Cassette
WTSX/WDCL Main Studio	Optimus STA-20 AM/FM Receiver
WTSX/WDCL Main Studio	EV RE-20 Microphone w/Stand
WTSX/WDCL Main Studio	EV RE-20 Microphone w/Stand
WTSX/WDCL Main Studio	Rane HC-6 6-Channel Headphone Amp
WTSX/WDCL Main Studio	Tripp-Lite UPS for Studio Gear
WTSX/WDCL Main Studio	Various Studio Furniture
WTSX/WDCL Main Studio	2 Monitors
WTSX/WDCL Main Studio	TFT EAS 930A EAS Receiver
WTSX/WDCL Main Studio	Moseley PCL-606/C 950 MHZ STL Transmitter
WTSX/WDCL Main Studio	Texar Audio PRIS Audio Processor
WTSX/WDCL Main Studio	Texar Audio PRIS Audio Processor
WTSX/WDCL Main Studio	Orban 8100A FM Optimod
WTSX/WDCL Main Studio	Bdeasl Tool Audio Routing Switcher
WTSX/WDCL Main Studio	TFT EAS 940A Station Switcher
WTSX/WDCL Main Studio	QEI 691 FM Modulation Monitor
WTSX/WDCL Main Studio	Johnson ST-4A 92 KHA SCA Receiver
WTSX/WDCL Main Studio	Revox A-7 R-R Tape R/P
WTSX/WDCL Main Studio	Burk ARC-16 Remote Control Studio Head
WTSX/WDCL Main Studio	TFT EAS 911 EAS Encode/Decode System
WTSX/WDCL Main Studio	EV RE-20 Microphone w/Stand
WTSX/WDCL Main Studio	RDL System 84 Audio Switcher
WTSX/WDCL Main Studio	Mita DC 1435 Copier
WTSX/WDCL Main Studio	Best Power FE Series Studio UPS System
WTSX/WDCL Main Studio	Various Studio Furniture
WTSX/WDCL Main Studio	Various Music CD's
WTSX/WDCL Main Studio	Electrovoice 309 Microphone

Location	Description
WTSX/WDCL Main Studio	Broadcast Logic “patch” panel
WTSX/WDCL Main Studio	TASCAM BR-20 R-R Tape R/P
WTSX/WDCL Main Studio	Technics RS-TR232 Cassette Machine
WTSX/WDCL Main Studio	Pioneer PD-103 CD Player
WTSX/WDCL Main Studio	Technics SL-PG480A CD Player
WTSX/WDCL Main Studio	Panasonic SV-3700 DA R/P
WTSX/WDCL Main Studio	Altec Lansing 75 Studio Monitors
WTSX/WDCL Main Studio	EV RE-20 Microphone w/Stand
WTSX/WDCL Main Studio	Various Production CD’s
WTSX/WDCL Main Studio	Various Studio Furniture
WTSX/WDCL Main Studio	Gates BCIT Backup AM Transmitter
WTSX/WDCL Main Studio	Wilkinson TMM-1A AM Modulation Monitor
WTSX/WDCL Main Studio	Inovonics 250 AM Audio Processor
WTSX/WDCL Main Studio	Inovonics 222 AM NRSC Processor
WTSX/WDCL Main Studio	Various ENG Shop Spare Parts & Equip
WTSX/WDCL Main Studio	Various Office Desks/Chairs/File Cabin
WTSX/WDCL Main Studio	Various Computers and Printers
WTSX/WDCL Main Studio	Onan 3500 3500-Watt Generator
WTSX/WDCL Main Studio	150 ft. Self Supporting AM Tower – antenna shack & contained equipment & fence
WTSX/WDCL Main Studio	Generator & shed
WTSX/WDCL Main Studio	Two bedroom Mobile Home/Office + wooden storage shed
WTSX/WDCL Main Studio	40x24” wooden desks (pressed wood) (3 of them)
WTSX/WDCL Main Studio	Custom designed Formica desks (2 of them)
WTSX/WDCL Main Studio	40x32” metal desk
WTSX/WDCL Main Studio	Main Office: 9 wood desks, w metal desks, several typewriter tables, assorted shelving and desk top organizers
WTSX/WDCL Main Studio	14 office chairs, wooden
WTSX/WDCL Main Studio	2 folding chairs
WTSX/WDCL Main Studio	1 window A/C – portable
WTSX/WDCL Main Studio	1 roof A/C
WTSX/WDCL Main Studio	1 fireproof 4-drawer filing cabinet
WTSX/WDCL Main Studio	2 two-drawer filing cabinets
WTSX/WDCL Main Studio	3 four-drawer filing cabinets
WTSX/WDCL Main Studio	Metal shelving
WTSX/WDCL Main Studio	2 locking storage cabinets
WTSX/WDCL Main Studio	Small coffee maker, etc.
WTSX/WDCL Main Studio	Spare monitors, JTC 770 playback reel tape recorders
WTSX/WDCL Main Studio	Marti Compression Limiter
WTSX/WDCL Main Studio	Microphones – stands ... for remotes
WTSX/WDCL Main Studio	Various spare parts, monitors, etc.
WTSX/WDCL Main Studio	Computer
WTSX/WDCL Main Studio	Shelving
WTSX/WDCL Main Studio	
WTSX/WDCL Main Studio	1BE Audio Vault Automation System Windows 2000 on a Dell Optiplex Platform
WTSX/WDCL Main Studio	1 Broadcast Tools 8 x 2 Switcher
WTSX/WDCL Main Studio	2 HP Production Computers Windows 2000 with Soundblaster Audio cards
WTSX/WDCL Main Studio	1 Audio Arts 12 Channel Audio Console
WTSX/WDCL Main Studio	1 Radio Systems 12 Channel Audio console
WTSX/WDCL Main Studio	5 Radio System Distribution Amps
WTSX/WDCL Main Studio	1 BE Digital Exciter
WTSX/WDCL Main Studio	4 Henry Matchbox
WTSX/WDCL Main Studio	1 BE AM1 Transmitter

Location	Description
WTSX/WDCL Main Studio	1 FM Three Bay Shively Directional Antenna
WTSX/WDCL Main Studio	1 Comrex Bric
WTSX Lehman Township Transmitter	Nautel Ampfet4 FM Transmitter
WTSX Lehman Township Transmitter	Harris Equipment Rack
WTSX Lehman Township Transmitter	ERI LP-2E-DA FM Antenna
WTSX Lehman Township Transmitter	Andrew HJ7-50A 1 5/8 Transmission Line
WTSX Lehman Township Transmitter	10' x 10' Transmitter Building
WTSX Lehman Township Transmitter	1 Optimod 8200 Digital Audio Processor
WTSX Lehman Township Transmitter	1 Comrex Bric
WTSX Lehman Township Transmitter	Bird 3127 FM Wattcher
WTSX Lehman Township Transmitter	Burk ARC-16 Remote Control W/RP-8
WTSX Lehman Township Transmitter	Gast DOA-P126-AA Dehydrator
WTSX Lehman Township Transmitter	Baird HVAC system

SCHEDULE 1.1.3

AGREEMENTS

Single Site License Agreement made as May 6, 2011, by and between Diamond Towers II, LLC and Seller (for the right to access and use the Lehman Township Site for the operation of WTSX transmission facility).

Tower Space Lease Agreement dated February 17, 2007, between Venture Technologies Group and Seller.

Note: Seller was also party to a tower lease for WTSX with Pinnacle Towers, LLC. This lease has been terminated and is not an Assumed Agreement.

SCHEDULE 1.1.4

INTANGIBLE ASSETS

Call letters: WTSX(FM) and WDLC

SCHEDULE 1.1.5

REAL PROPERTY

Address: 15 Neversink Drive, Port Jervis, New York

SCHEDULE 1.2.9

EXCLUDED ASSETS

None

SCHEDULE 1.3

PERMITTED LIENS

None

SCHEDULE 6.3

CONSENTS

Notice to Diamond Towers II, LLC regarding the assignment of the Single Site License Agreement made as May 6, 2011, by and between Diamond Towers II, LLC and Seller.

The consent of Cox Radio, Inc. to the sale of the Assets to Buyer.*

* = Required Consent