

TIME BROKERAGE AGREEMENT

THIS TIME BROKERAGE AGREEMENT (this "Agreement") is made and entered into as of March 26, 2001, by and between Port Jervis Broadcasting Co., Inc., a New York corporation ("Licensee"), and Clear Channel Broadcasting, Inc., a Nevada corporation ("Programmer").

Recitals

A. Licensee owns and operates radio broadcast stations WDLC(AM) and WTSX(FM), Port Jervis, New York (the "Stations") pursuant to licenses issued by the Federal Communications Commission ("FCC").

B. Programmer has available and is producing radio programs that it desires to have broadcast on the Stations, and therefore desires to purchase airtime from Licensee for the broadcast of such programs.

C. Licensee has agreed to make available to Programmer airtime on the Stations and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.

D. Licensee (as Seller) and Programmer (as Buyer) are parties to an Option Agreement dated August 7, 1998 (the "Option Agreement") with respect to the Stations.

Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Agreement Term. The term of this Agreement (the "Term") will begin effective as of 12:01 AM on March 26, 2001 (the "Commencement Date"), and will continue until the date three (3) years after the Commencement Date, unless earlier terminated pursuant to Section 8 or Section 13 hereof.

2. Programmer's Purchase of Airtime and Provision of Programming. During the Term, Programmer shall purchase from Licensee airtime on the Stations for the price and on the terms specified below, and shall transmit to Licensee programming that it produces or owns (the "Program" or "Programs") for broadcast on the Stations twenty-four (24) hours per day, seven (7) days per week, excluding the period from 6:00 a.m. to 8:00 am each Sunday morning (the "Broadcasting Period"). Programmer will transmit, at its own cost, its Programs to the Stations' transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards at least equal to those of the Stations' broadcasts prior to commencement of the Term.

3. Broadcasting Obligations. In return for the payments to be made by Programmer hereunder, during the Term, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 6 below.

4. Advertising Sales; Accounts Receivable. Programmer will be exclusively responsible for the sale of such advertising on the Stations and for the collection of accounts receivable arising therefrom, and Programmer shall be entitled to all revenues of the Stations during the Term, except for the trade and barter advertising contracts sold by Licensee consistent with past practices. All contracts for advertising on the Stations which may be entered into by Programmer shall terminate upon the termination of this Agreement (other than a termination pursuant to Section 8).

5. Term Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will pay Licensee as set forth on Schedule A attached hereto.

6. Operation, Ownership and Control of the Stations. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Stations, it will have full authority, power and control over the operation of the Stations and over all persons working at the Stations during the Term. Licensee will bear the responsibility for the Stations' compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (a) employ a minimum of two full-time employees which shall include (i) a General Manager for the Stations, who will report to Licensee and will direct the day-to-day operations of the Stations, and who shall have no employment, consulting, or other relationship with Programmer and (ii) up to two other employees for the Stations, who will report and be solely accountable to the General Manager and who shall have no employment, consulting, or other relationship with Programmer, and (b) retain control over the policies, programming and operations of the Stations. Licensee shall, with respect to its employees, have sole responsibility for (i) assignment and reassignment of general duties of employment, (ii) establishment and modification of all wage levels, salary levels and any incentives, (iii) establishment of personnel policies, (iv) decision making regarding discipline, termination, hiring and replacement of its two employees, (v) workers' compensation insurance (if subscribed) for its employee's, and (vi) processing and administration of payroll, including social security, unemployment and other applicable payroll taxes. Nothing contained herein shall prevent Licensee from rejecting or refusing programs which Licensee believes to be contrary to the public interest, or substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities. If in any month Licensee preempts any Programs, Licensee shall refund to Programmer such portion of the monthly payment made to Licensee pursuant to Section 5 hereof as the total time preempted bears to the total amount of time in the Broadcasting Period for such month. Licensee reserves the right to refuse to broadcast any Program containing matter which violates any right of any third party or which constitutes a

“personal attack” as that term has been defined by the FCC. Licensee also reserves the right to refuse to broadcast any Program which does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 10. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee’s instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC’s sponsorship identification policy. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review and inclusion in its public inspection file.

7. Maintenance of Signal. Licensee shall maintain the operating power of the Stations at the maximum level authorized by the FCC for the Stations throughout the Term and shall repair and maintain the Stations’ towers and transmitter sites and equipment in good working order.

8. Option Agreement. This Agreement shall automatically terminate upon closing of the purchase of the Stations by Programmer following exercise of the Option pursuant to the Option Agreement. This Agreement may be terminated by either party in the event of any expiration or termination of the Option Agreement without the exercise of the Option or the termination of the Asset Purchase Agreement following exercise of the Option. Notwithstanding anything to the contrary elsewhere, in the event that Clear Channel exercises the Option pursuant to the Option Agreement, Clear Channel shall continue to pay, or cause to be paid, the \$12,500 monthly option payments until closing or the termination of the Asset Purchase Agreement following exercise of the Option.

9. Music Licenses. During the Term, Programmer will obtain and maintain in full force and effect in its own name all music licenses (“Music Licenses”) as are currently operative with respect to the Stations and as will be required by the licensor of those Music Licenses. All Music Licenses fees during the Term shall be paid by Programmer.

10. Programs.

10.1 Production of the Programs. Licensee acknowledges that it is familiar with the type of programming Programmer currently produces and has determined that the broadcast of such programming on the Stations would serve the public interest. Programmer agrees that the contents of the Programs it transmits to Licensee shall conform to all FCC rules, regulations and policies. Programmer agrees that it will consult with Licensee in the selection of the Programs it transmits to Licensee to ensure that the Programs’ content contains matters responsive to issues of public concern in the local communities, as those issues are made known to Programmer by Licensee. Licensee acknowledges that its right to broadcast the Programs is

non-exclusive and that ownership of the Programs, and all parts thereof, and the right to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Programmer.

10.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. During the Term, Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. Programmer shall release advertising availabilities to Licensee during the Broadcasting Period as necessary to permit Licensee to comply with the political broadcast rules of the FCC; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

11. Expenses. During the Term, Programmer will be responsible for (a) the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs supplied to Licensee, and (b) the costs of delivering the Programs to Licensee. Licensee shall provide Programmer, for no additional consideration, access to and use of the Stations' studios to produce and deliver the Programs and otherwise to perform under this Agreement. Licensee will pay for the maintenance of all existing transmitter equipment and all other operating costs required to be paid to maintain the Stations' transmitter site broadcast operations in accordance with FCC rules and policies and applicable law. Licensee will also pay for all utilities supplied to its transmitter sites. Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries or fees, taxes, insurance and related costs for all such personnel. Programmer shall pay for the maintenance of all studio equipment.

12. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Stations or any other call letters which may be assigned by the FCC for use by the Stations, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement at the beginning of each hour of such Programs to identify such call letters, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use such call letters in its Programs and in any promotional material, in any media, used in connection with the Programs.

13. Events of Default; Termination.

13.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement: (a) Programmer fails to make timely payments as provided for in Section 5 of this Agreement within ten (10) days after the date due; (b) Programmer fails to observe or perform its other obligations contained in

this Agreement in any material respect; or (c) Programmer breaches the representations and warranties made by it under this Agreement in any material respect.

13.2 Licensee Events of Default. The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement: (a) Licensee fails to observe or perform its obligations contained in this Agreement in any material respect; or (b) Licensee breaches the representations and warranties made by it under this Agreement in any material respect.

13.3 Cure Period. Notwithstanding the foregoing, except for payment obligations under Section 13.1(a) above, an Event of Default will not be deemed to have occurred until thirty (30) days after the non-defaulting party has provided the defaulting party with written notice specifying the Event of Default and such Event of Default remains uncured.

13.4 Termination in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 13.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

14. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of the Programs on the Stations. Licensee shall indemnify and hold Programmer harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of its programming on the Stations. The obligations under this Section shall survive any termination of this Agreement.

15. Authority. Programmer and Licensee each represent and warrant to the other that (a) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (b) it is in good standing in the jurisdiction of its organization and is qualified to do business in all jurisdictions where the nature of its business requires such qualification, (c) it has duly authorized this Agreement, and this Agreement is binding upon it, and (d) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

16. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by all parties. No failure or delay on the part of Programmer or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power. Except as otherwise

provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

17. Assignability; No Third Party Rights. The rights and obligations of Licensee and Programmer under this Agreement may not be assigned without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, that Programmer may assign this Agreement without Licensee's consent in the event that closing of the exercise of Option is later than ninety (90) days after the FCC assignment applications are tendered for filing with the FCC as a result of delays caused by Department of Justice or FCC market concentration issues. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement.

18. Construction. This Agreement will be construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

19. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

20. Notice. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier, or transmitted by facsimile transmission and shall be deemed to have been duly delivered and received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, and on the same day if transmitted by facsimile, addressed as follows:

If to Licensee: Port Jervis Broadcasting Co., Inc.
P.O. Box 11
Port Jervis, NY 12771
Attention: Robert I. Wein
Telecopier No.: _____

with a copy to: Cuddeback & Onofry
17 East Main Street
Port Jervis, N.Y.
Attention: Robert A. Onofry, Esq.
Telecopier No.: _____

and

Barry Skidelsky, Esq.
185 East 85th Street
Apartment 23D
New York, NY 10028
Telecopier No.: _____

If to Programmer: Clear Channel Broadcasting, Inc.
200 Concord Plaza, Suite 600
San Antonio, TX 78216
Attention: Mark P. Mays
Telecopier No.: 210-822-2299

with a copy to: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Attention: Richard J. Bodorff, Esq.
Telecopier No.: 202-429-7049

21. Entire Agreement. This Agreement embodies the entire agreement, and supersedes all prior oral or written understandings, between the parties with respect to the subject matter of this Agreement.

22. Relationship of Parties. Neither the Programmer nor Licensee will be deemed to be the agent, partner, or representative of the other party to this Agreement, and neither party is authorized to bind the other to any contract, agreement, or understanding.

23. Force Majeure and Facilities Upgrades. The failure of either party hereto to comply with its obligations under this Agreement due to (a) the need to perform construction at the transmitter site or to move the transmitter site in response to FCC authorization of an improvement to or modification of the Stations' operating parameters, or (b) acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's control, will not constitute an Event of Default under Section 13 of this Agreement and neither party will be liable to the other party therefor, except that: (i) any resulting failure of Licensee to broadcast the Programs shall entitle Programmer to a pro rata reduction in the payment required under Section 5 of this Agreement, (ii) any resulting failure of Licensee to broadcast the Programs for a continuous period of five (5) days or more at any time during the Term shall entitle Programmer to terminate this Agreement by providing Licensee written notice. Programmer and Licensee each agrees to exercise its best efforts to remedy the conditions described in clauses "(i)" and "(ii)" of this Section as soon as practicable.

24. Subject to Laws; Partial Invalidity. The obligations of the parties under this Agreement are **subject** to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

25. Headings. The headings of the various provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

26. Successors and Assigns. Subject to the provisions of Section 17 above, this Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

[SIGNATURE PAGE FOLLOWS]

976592v7

SIGNATURE PAGE TO TIME BROKERAGE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

PROGRAMMER:

CLEAR CHANNEL BROADCASTING, INC.

By: 

Name:

Title:

LICENSEE:

PORT JERVIS BROADCASTING CO., INC.

By: _____

Name: Robert I. Wein

Title: President

SIGNATURE PAGE TO TIME BROKERAGE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

PROGRAMMER:

CLEAR CHANNEL BROADCASTING, INC.

By: _____

Name:

Title:

LICENSEE:

PORTR JERVIS BROADCASTING CO., INC.

By: 

Name: Robert I. Wein

Title: President