

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this 10th day of May, 2006, by and between Pamal Broadcasting, Ltd., a New York corporation with an address of 6 Johnson Road, Latham, New York 12110 ("Pamal") and 6 Johnson Road Licenses, Inc., a New York corporation and wholly-owned subsidiary of Pamal with an address of 6 Johnson Road, Latham, New York 12110 ("Licenses", and together with Pamal, "Seller") and Vermont Public Radio, a Vermont non-profit corporation with an address of 365 Troy Avenue, Colchester, Vermont 05546 ("Buyer").

Recitals

Seller is the licensee and operator of the radio station set forth on Schedule 1.1 hereto (the "Station"); and

Subject to the consent of the Federal Communications Commission ("FCC"), Buyer desires to acquire the Station, and all or substantially all of the assets, leases, contracts, agreements, and licenses used or useful in the operation of the Station, with certain exceptions as provided herein, and Seller desires to transfer such assets to Buyer.

Agreement

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

1 **Sale and Transfer of Assets.** Subject to and in reliance upon the Closing, Seller will sell, assign, transfer and deliver to Buyer the following assets (all of which are hereinafter collectively called the "Assets"):

1.1 **Licenses.** The licenses, permits and authorizations issued by any governmental or regulatory agency including without limitation, the Federal Communications Commission (the "FCC") for the operation of the Station (the "FCC Licenses") as listed on Schedule 1.1;

1.2 **Real Property.** The only real property interest is the renewal lease with the same terms and conditions as described on Schedule 1.2, but with a term ending at least one year after the date hereof.

1.3 **Tangible Assets.** The tangible assets of Seller listed on Schedule 1.3 free and clear of all liens, charges, and encumbrances whatsoever as of the Closing Date (the "Tangible Assets");

1.4 **Assigned Contracts.** The lease to the broadcasting site on Mount Equinox in Bennington County as more particularly described on Schedule 1.2. Written consent of the Lessor to assignment of this lease to Buyer, including the right to install the replacement equipment identified in Schedule 1.4 attached hereto, and in form reasonably satisfactory to Buyer, shall be provided by Seller to Buyer prior to Closing.

1.5 **Call Letters.** All right, title and interest of the Seller in and to the use of the call letters for the Station (the "Call Letters");

1.6 **Intangible Assets.** All goodwill, copyrights, trademarks or other similar rights, if any, which the Seller may have acquired or used in the operation of the Station as set forth on Schedule 1.6 (the "Intangible Assets");

1.7 **Excluded Assets.** The Assets to be transferred hereunder shall not, however, include the Seller's lease to studio space from TD Bank North in Manchester, Vermont, or to any of Seller's accounts receivable, cash, bank accounts, investments, deposits, books and records pertaining to company organization, contracts of insurance (including the cash surrender value thereof, and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date), employee pension and other benefit plans or collective bargaining agreements, duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports, as well as any other records or materials relating to Seller generally and not involving the Station specifically, all of which shall remain the property of Seller (the "Excluded Assets").

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

2 **Purchase Price.**

2.1 **Purchase Price.** In consideration for all of the Assets to be sold and bought hereunder pursuant to Section 1, the Purchase Price shall be Six-Hundred-and-Twenty-Five-Thousand Dollars (\$625,000.00) (the "Purchase Price").

2.2 **Deposit.** Upon execution of this Agreement, Buyer shall pay a deposit in the amount of Fifty Thousand Dollars (\$50,000.00) (the "Deposit") to Seller's counsel, as escrow agent, as further provided and governed by the Escrow Agreement attached hereto as Exhibit A, to be applied toward the Purchase Price at Closing.

2.3 **Cash at Closing.** The Buyer shall at Closing pay to Seller by wire transfer an additional Five-Hundred-and-Seventy-Five Thousand Dollars (\$575,000.00). The cash at closing shall be prorated as set forth in Sections 9.1(h) and (i). The parties shall agree in writing on the allocation of the Purchase Price prior to Closing.

3 **No Assumption of Liabilities.** Buyer shall not assume and shall not be obligated to pay any of the liabilities or obligations of Seller, except liabilities and obligations arising or accruing on or after the Closing Date with respect to the Assigned Contracts. Upon assumption by Buyer of the Assigned Contracts, Buyer shall be entitled to all of Seller's rights and benefits thereunder and shall relieve Seller of its obligations to perform the same after the Closing Date.

4 **Seller's Representations and Warranties.** The following representations and warranties shall survive for one (1) year from the Closing Date. Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date, with respect to the Station, as follows:

4.1 **Formation, Standing and Power.** Pamal is a corporation formed, validly existing and in good standing under the laws of the State of New York. Pamal is duly authorized to conduct business in the State of Vermont and has all necessary power and authority to own, use and transfer its properties and assets and to transact its business as now being conducted. 6JRL is a corporation formed, validly existing and in good standing under the laws of the State of New York and is not doing business in the State of Vermont.

4.2 **Authority for Transaction.** Seller's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby have all been duly and validly authorized by all necessary action on the part of Seller, including approval by the Seller's shareholders and directors, and this Agreement is valid and binding upon Seller in accordance with its terms.

4.3 **Licenses.** Seller is, and on the Closing Date will be, the holder of regular and unconditional FCC Licenses issued by the Commission for the operation of Station described in Schedule 1.1 hereof renewed for the current unexpired license term for radio stations in Vermont, and all pertinent auxiliary stations, which licenses will not be subject to any reporting conditions. Seller has all permits, licenses, franchises and other authorizations necessary to, and has materially complied with all laws applicable to, the conduct of the Station business in the manner and in the areas in which such business is presently being conducted and all such permits, licenses, franchises and authorizations are valid and in full force and effect. Seller has not engaged in any activity which would cause revocation or suspension of any such permits, licenses, franchises or authorizations, and no complaint, action or proceeding looking to or contemplating the revocation or suspension of any thereof is pending or, to the knowledge of Assignor, threatened. Further, on the Closing Date, the FCC Licenses will be in good standing and have been renewed, if applicable, without adverse condition, the Station will have full operating authority under their licenses and permits, all FCC requirements for such authority will have been met, and there will be no uncorrected FCC violations, notices or unsatisfied FCC inquiries. Seller and Buyer shall each perform all acts necessary for securing the right to assign the FCC licenses set forth herein to Buyer prior to Closing. Each party shall pay their own

attorneys and other related expenses for the assignment process, except that the parties hereto shall equally share the FCC filing fee expenses. The parties shall both cooperate fully in the efforts of the other to satisfy this condition to closing.

4.4 **Condition of Assets.** On the Closing Date, each item comprising the Assets shall be in the same or better operating condition as on the date of execution of this Agreement, reasonable wear and tear excepted.

4.5 **Title.** Seller has, and shall transfer to Buyer at the Closing, title to each item comprising the Assets, subject only to the Permitted Encumbrances as set forth on Schedule 4.5, and those encumbrances which shall be removed immediately after Closing through payment of the Seller's underlying obligations from the Purchase Price.

4.6 **Contracts, Leases, Agreements, Etc.** The Licenses, Assigned Contracts, Call Letters and Intangible Assets to be transferred or assigned to Buyer are now and will, on the Closing Date, be in full force and effect. Each such Assigned Contract may be transferred in accordance with its terms, or approval for transfer will have been received by the Closing Date.

4.7 **Legal Proceedings, Etc.** No litigation, court or administrative proceeding is pending or, so far as is known to the Seller, threatened against Seller relating to the Station or any Asset to be conveyed hereunder which would affect Buyer's enjoyment of the Assets, or which would hinder or prevent the consummation of the transactions contemplated by this Agreement, and Seller does not know, or have reasonable grounds to know, of any basis for any such possible action.

4.8 **Compliance with Licenses, Laws, Regulations and Orders.** Seller, at Closing, will be in compliance with all material terms and conditions of all Licenses, laws, regulations and orders applicable to its business and operations including, without limitation, compliance with the Communications Act of 1934, as amended (the "Federal Communications Act,") all regulations issued by the FCC, and all applicable environmental and/or land-use laws, regulations or permits applicable to the real property described in Schedule 1.41. Seller is not charged with violating or, to the knowledge of Seller, threatened with a charge of violating or under investigation with respect to a possible violation of, any provision of any License, or any federal, state or local law or administrative ruling or regulations relating to any aspect of its business or with respect to the WJAN broadcasting site on Mount Equinox. All of Seller's Assets operate in compliance with all material terms and conditions of its FCC licenses.

4.9 **No Conflict.** Neither the execution and delivery of this Agreement by Seller, nor compliance by Seller with any of the provisions hereof, nor the consummation of the transactions contemplated hereby, will:

(a) conflict with or result in a breach of any provision of the Seller's Articles of Incorporation or Operating Agreement;

(b) result in a default, or give rise to any right of termination, cancellation or acceleration, under any term, condition or provision of any contract, encumbrance or other instrument or obligation to which Seller is a party or by which Seller or any of Seller's Assets may be bound; or

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Seller, or any of its Assets.

Except for the approval of the FCC and such consents and/or notices as are necessary for assignment of the Assigned Contracts, no consent, waiver or approval by, notice to or filing with any person or entity is required in connection with the execution and delivery of this Agreement by Seller, compliance by Seller with any of the provisions hereof or the consummation of the transactions contemplated hereby.

4.10 Operation of Station. The Station, at Closing, will be operated in substantial compliance with all laws, regulations and orders, including without limitation, compliance with the Federal Communications Act and all regulations issued by the FCC thereunder, and the terms and conditions of the Licenses, and Seller knows of no breach or facts which might amount to a breach of any such law, regulation or order.

4.11 Insurance. The insurance policies owned by Seller or of which Seller is a named beneficiary are now and through the Closing Date will be fully in effect in accordance with their terms, with no default in the payment of premiums on any such policy and no ground for cancellation or avoidance of any portion thereof or for reduction of the coverage provided thereby. The current insurance coverage for the Assets is set forth on Schedule 4.12 hereto.

4.12 Liabilities. As of the Closing Date, all of Seller's liabilities, except for those liabilities arising on or after the Closing Date relating to the Assigned Contracts, shall have been paid and discharged, or consents for the sale shall have been obtained from Seller's creditors, and no creditors of Seller shall have any claim on the Assets for payment of such liabilities.

4.13 No Misleading Statements. The representations and warranties of Seller herein, or in any Schedule hereto, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

4.14 Broker. Seller has not incurred nor become liable for any broker's commission or finder's fee relating to the transactions contemplated under this Agreement. Seller agrees to indemnify and hold Buyer harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Seller's behalf in connection with this transaction.

4.15 Tax Matters. Except as set forth in Schedule 4.18, all federal, state county and local tax returns, reports and declarations of estimated tax or estimated tax deposit

forms required to be filed by Seller have been duly and timely filed (after taking into account any extensions therefor). Except as set forth on Schedule 4.18, Seller has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it, and has paid all installments of estimated tax due; and all taxes, levies, and other assessments which Seller is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or are held by Seller for such payment.

5 **Buyer's Representations and Warranties.** The following representations and warranties shall survive for one (1) year from the Closing Date. The Buyer represents and warrants to Seller, as of the date hereof and as of the Closing Date, as follows:

5.1 **Buyer's Qualifications.** Buyer is legally and financially qualified to acquire the Station. Buyer knows of no fact or circumstance which would, under the federal antitrust laws, the Communications Act of 1934, as amended, or the rules, regulations, and policies of the FCC, disqualify or preclude Buyer from being approved as an assignee of the Licenses. Should Buyer become aware of any such fact or circumstance, it will promptly so inform Seller, and Buyer will use its best efforts to remove any such disqualification or preclusion. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification. There are no facts which, under the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or the antitrust policies as applied to the broadcasting industry by the Federal Trade Commission and the U.S. Department of Justice, would delay the consummation of the transactions contemplated by this Agreement. Buyer has no reason to believe that the Assignment Application contemplated by this Agreement might be challenged by a governmental agency or third party or might not be granted by the FCC in due ordinary course. To Buyer's knowledge, there are no proceedings, complaints, notices of forfeiture, claims, or investigations pending or threatened against Buyer or any principal, officer, director, or owner of Buyer that would materially impair the qualification of Buyer to assume the FCC Licenses or which would materially impede Buyer's ability to prosecute FCC applications or seek the grant of the FCC Consents.

5.2 **Formation, Standing and Power.** The Buyer is a public corporation duly formed, validly existing and in good standing under the laws of the State of Vermont. Buyer has all necessary power and authority to execute and deliver this Agreement, to comply with the provisions hereof and to consummate the transactions contemplated hereby.

5.3 **Authority for Transaction.** Buyer's execution and delivery of this, its compliance with the provisions hereof and thereof and the consummation of all of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary action on the part of Buyer, and this Agreement is valid and binding upon Buyer in accordance with its terms.

5.4 **No Conflict.** Neither the execution and delivery of this by Buyer, nor compliance by Buyer with any of the provisions hereof, nor the consummation of the transactions contemplated hereby and/or thereby will:

(a) conflict with or result in a breach of any provision of the governing documents of any entity named as Buyer herein;

(b) result in a default, or give rise to any right of termination, cancellation or acceleration, under any term, condition or provision of any contract, encumbrance or other instrument or obligation to which Buyer is a party or by which it or any of its properties or assets may be bound; or

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets.

Except for the approval of the FCC, no consent, waiver or approval by, notice to or filing with any person or entity is required in connection with the execution and delivery of this Agreement by Buyer, compliance by Buyer with any of the provisions hereof and thereof or the consummation of the transactions contemplated hereby and thereby.

5.5 Legal Proceedings, Etc. There is no legal, equitable, administrative or arbitration action, suit, proceeding or known investigation pending or, to Buyer's knowledge, threatened against or affecting Buyer or any of its assets which, if adversely determined, would adversely affect the ability of Buyer to consummate the transactions contemplated hereby.

5.6 No Misleading Statements. The representations and warranties of Buyer herein and in any Schedule hereto do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

5.7 Broker. Buyer has not incurred nor become liable for any broker's commission or finder's fee relating to the transactions contemplated under this Agreement. Buyer agrees to indemnify and hold Seller harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Buyer's behalf in connection with this transaction.

6 Seller's Covenants.

6.1 Indemnification.

(a) Except as provided in Section 11 of this Agreement, the sole and exclusive remedy which Buyer shall have against Seller under this Agreement after the Closing Date shall be the right to proceed for indemnification in the manner and only to the extent provided by this Section 6. Seller hereby indemnifies Buyer and holds it and its agents, successors and assigns harmless, with respect to demands for indemnification asserted by Buyer, as provided by this Section 6.1, within one (1) year after the Closing Date from, against and in respect of:

(1) all liabilities, obligations, claims against and contracts of Sellers of every kind and nature whatsoever, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Sellers, arising out of or by reason of this or any other transaction or event occurring prior or subsequent to the Closing, which have not been assumed by Buyer; and

(2) all losses, damages and deficiencies resulting from any failure or breach of any representation or warranty, or any breach or nonfulfillment of any covenant or agreement, of Seller made in this Agreement; and

(3) all actions, suits, proceedings, claims, demands, assessments, judgments, fines, amounts paid in settlement, costs and expenses (including reasonable attorneys' fees and expenses) incident to any of the foregoing.

(b) If a demand for indemnification arises out of a claim made against Buyer by a person not a party to this Agreement or affiliated with a party to this Agreement (a "Third Party Claim"), Buyer shall give prompt notice thereof to Seller, stating in reasonable detail the nature of the Third Party Claim, the identity of the Third Party Claimant and the specific representations, warranties or covenants which Buyer contends Seller has breached. Such notice shall also indicate whether Buyer intends to defend against the Third Party Claim. If Buyer shall defend against the Third Party Claim, Seller shall cooperate in all reasonable respects with Buyer in such defense, shall make available to Buyer all records and other materials reasonably required by Buyer in such defense, and shall have the right to participate in such defense. If Buyer does not intend to defend against the Third Party Claim, then Seller may assume defense of the Third Party Claim through legal counsel of its choice reasonably satisfactory to Buyer, in which event Buyer shall cooperate in all reasonable respects with Seller in such defense, and shall make available to Seller and its counsel all records and other materials reasonably required by them in such defense, but Seller shall at all times control such defense. So long as a Third Party Claim is pending and is not resolved, Buyer shall hold in abeyance its demand for indemnification. If Seller reaches a settlement with the Third Party Claimant which results in any liability to Buyer, or if a judgment is rendered against Buyer which judgment is not properly appealed or appealable, then Buyer shall be entitled to indemnification in an amount sufficient to discharge the Third Party Claim. Each party shall be responsible for its own costs and expenses, including legal fees, incurred in defending a Third Party Claim except that Seller shall pay Buyer's actual costs and expenses (including legal fees) incurred in connection with defending a claim which is determined adversely to Seller and which shall be found to have constituted a breach of Seller's representations, warranties and covenants hereunder.

(c) If Buyer asserts a demand for indemnification hereunder, but such demand is not based upon a Third Party Claim, Buyer shall notify Seller thereof, stating in reasonable detail the nature of Buyer's claim and the specific representations, warranties and

covenants which Buyer contends Seller has breached. Seller shall have fifteen (15) days after the effective date of such notice to accept or reject Buyer's demand for indemnification. If Seller accepts such demand for indemnification, Seller shall pay the amount of indemnification claimed by Buyer. If no acceptance is received by Buyer within such 15-day period, Seller shall be deemed to have rejected the demand. In the event Seller rejects Buyer's demand for indemnification or fail to accept such demand within such 15-day period, the parties shall immediately submit the controversy to arbitration in accordance with the provisions of Section 6.1(d). If the arbitrator(s) render an award in the arbitration proceeding in favor of Buyer, Buyer shall be entitled to indemnification to the extent provided in such award. If the arbitrator(s) render an award in favor of Seller, Seller shall have no further liability on Buyer's claim.

(d) If there is any disagreement between Buyer and Seller concerning the validity of any demand for indemnification asserted under Section 6.1, then such disagreement shall, as provided by Section 6.1(c) or otherwise on demand of either party, be referred to arbitration in Albany, New York. Buyer and Seller shall attempt to agree on the appointment of a single arbitrator. If they are unable to agree, a panel of three arbitrators shall be appointed: one arbitrator shall be appointed by Buyer, one shall be appointed by Sellers, and one shall be appointed by the two so appointed. The determination in writing of such arbitrator(s), signed by at least two of them (if there be more than one), shall be final and binding on the parties. Such determination shall be made as soon as practicable after the reference of the claim to arbitration. The arbitrators shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect, and shall have full power to make such regulations and to give such orders and directions in all respects as they shall deem expedient, as well as in respect to the claims and differences referred to them, and also with respect to the mode and times of executing and performing any of the acts or things which may be awarded or directed to be done. The arbitrator(s) shall also allocate among the parties the fees and expenses of the arbitrators and the actual costs and expenses (including legal fees) incurred by the parties in connection with the arbitration in an equitable manner consistent with the decision of the arbitrator(s) regarding the resolution of the claims and differences referred to them, which allocation shall form part of the arbitrator(s)' written determination.

(e) Seller's liability for all Claims under this Section 6 shall be subject to the following limitations: (i) Seller shall have no liability for Claims until the aggregate amount of the Claims incurred exceeds One Thousand Dollars (\$1,000.00) (the "Minimum Loss"); after the Minimum Loss is exceeded, Buyer shall be entitled to be paid the entire amount of the Claims, including the Minimum Loss, subject to the limitations on recovery and recourse set forth in this Section 6; and (ii) Seller's aggregate liability for all Claims under this Section 6 shall not exceed the Purchase Price.

6.2 Access and Information. Seller shall give Buyer and its officers, employees and representatives full but reasonable access during normal business hours throughout the period prior to Closing to the offices, operations, properties, books, contracts, agreements, leases, commitments and records (financial and otherwise) of the Station; provided, however, that Buyer shall give Seller reasonable advance notice of exercising this right. Seller

shall furnish to Buyer all information concerning the Station affairs as Buyer may reasonably request.

6.3 Conduct of Station Business. Prior to Closing, without the written consent of Buyer, Seller shall not enter into any transaction other than those in the ordinary course of the business of the Station; during the period until Closing the Seller shall operate the Station in the normal and usual manner; no employment contract shall be entered into by Seller relating to the Station, unless the same is terminable at will and without penalty; Seller shall not increase the compensation paid any employee of the Station or hire additional personnel for the Station, except as required in the ordinary course of business. Seller will maintain in force the insurance in effect on the date hereof; Seller will not make any material change in the price or terms of advertising.

6.4 Risk of Loss. Seller shall bear all risk of loss or damage to any of the Assets to be transferred to Buyer hereunder occurring prior to the Closing. In the event any loss or damage occurs, the proceeds of any insurance policy covering such loss and up to \$100,000 of additional funds from Seller shall be used by Seller to repair, replace or restore any such loss prior to the Closing; provided, however, that, if the proceeds of such insurance and such \$100,000 of additional funds provided by Seller would not be sufficient to repair, replace or restore the loss, and Seller does not wish to provide additional funds for such purpose upon request by Buyer, Buyer if not then in default may terminate this Agreement or may elect to proceed with Closing with a credit toward the Purchase Price in the amount of the cost to repair, replace or restore. In the event such loss or damage prevents the broadcast transmission of the Station in conformance with FCC requirements, Seller shall give prompt written notice thereof to Buyer. If Seller cannot restore the facilities so that transmission can be resumed in conformance with FCC requirements within fourteen (14) days, Buyer, if not then in default, shall have the option after such 14-day period to terminate this Agreement by giving written notice to Seller. In the event of any such termination pursuant to this Section 6.4 neither party shall have any further right or liability hereunder.

6.5 Other Proposals. Seller shall not, nor shall Seller permit any of its members, employees, agents, directors or officers to, solicit or entertain any inquiries or proposals or participate in any discussions, negotiations or agreements relating to the sale of the Station set forth on Schedule 1.1 prior to the Closing Date. Nothing in this Agreement shall prohibit or restrain Seller or any of their related or affiliated entities from discussing, soliciting or entertaining any inquiries or proposals related to the sale of any stations not listed on Schedule 1.1.

7 Buyer's Covenants.

7.1 Indemnification.

(a) Buyer shall be responsible for and hereby indemnifies Seller and holds Seller and its agents, successors and assigns harmless, with respect to demands for

indemnification asserted by Sellers, as provided by this Section 7.1, within one (1) year after the Closing Date from, against and in respect of:

(1) The operation of the Station subsequent to the Closing, including, but not limited to any and all claims, liabilities and obligations arising or required to be performed under the Assigned Contracts assumed by Buyer;

(2) All losses, damages and deficiencies resulting from any failure or breach of any representation or warranty, or any breach or non-fulfillment of any covenant or agreement, of Buyer made in this Agreement; and

(3) All actions, suits, proceedings, claims, demands, assessments, judgments, fines, penalties, amounts paid in settlement, costs and expenses (including reasonable attorneys' fees and expenses) incident to any of the foregoing.

(b) If a demand for indemnification arises out of a claim made against Seller by a person not a party to this Agreement or affiliated with a party to this Agreement (a "Third Party Claim"), Seller shall give prompt notice thereof to Buyer, stating in reasonable detail the nature of the Third Party Claim and the specific representations, warranties or covenants which Seller contends Buyer has breached. Such notice shall also indicate whether Seller intends to defend against the Third Party Claim. If Seller shall defend against the Third Party Claim, Buyer shall cooperate in all reasonable respects with Seller in such defense, shall make available to Seller all records and other materials reasonably required by Seller in such defense, and shall have the right to participate in such defense. If Seller does not intend to defend against the Third Party Claim, then Buyer may assume defense of the Third Party Claim through legal counsel of its choice, reasonably satisfactory to Seller, in which event Seller shall cooperate in all reasonable respects with Buyer in such defense and shall make available to Buyer and its counsel all records and other materials reasonably required by them in such defense, but Buyer shall at all times control such defense. If Buyer reaches a settlement with the Third Party Claimant which results in any liability to Seller, or if a judgment is rendered against Seller which judgment is not properly appealed or appealable, then Seller shall be entitled to indemnification in an amount sufficient to discharge the Third Party Claim. Each party shall be responsible for its own costs and expenses, including legal fees, incurred in defending a Third Party Claim except that Buyer shall pay (i) Seller's actual costs and expenses (including legal fees) incurred in connection with defending a claim which is determined adversely to Buyer and which shall be found to have constituted a breach of Buyer's representations, warranties and covenants hereunder.

(c) If Seller asserts a demand for indemnification hereunder, but such demand is not based upon a Third Party Claim, Seller shall notify Buyer thereof, stating in reasonable detail the nature of Seller's claim and the specific representations, warranties and covenants which Seller contend Buyer has breached. Buyer shall have fifteen (15) days after the

effective date of such notice to accept or reject Seller's demand for indemnification. If Buyer accepts such demand for indemnification, it shall pay the amount of indemnification claimed by Seller. If no acceptance is received by Seller within such 15-day period, Buyer shall be deemed to have rejected the demand. In the event Buyer rejects Seller's demand for indemnification or fails to accept such demand within such 15-day period, the parties shall immediately submit the controversy to arbitration in accordance with the provisions of Section 7.1(d). If the arbitrator(s) render an award in the arbitration proceeding in favor of Seller, Seller shall be entitled to indemnification to the extent provided in such award. If the arbitrator(s) render an award in favor of Buyer, Buyer shall have no further liability on Seller's claim.

(d) If there is any disagreement between Seller and Buyer concerning the validity of any demand for indemnification asserted under Section 7.1, then such disagreement shall, as provided by Section 7.1(c) or otherwise on demand of either party, be referred to arbitration in Albany, New York. Buyer and Seller shall attempt to agree on the appointment of a single arbitrator. If they are unable to agree, a panel of three arbitrators shall be appointed: one arbitrator shall be appointed by Buyer, one shall be appointed by Seller, and one shall be appointed by the two so appointed. The determination in writing of such arbitrator(s), signed by at least two of them (if there be more than one), shall be final and binding on the parties. Such determination shall be made as soon as practicable after the reference of the claim to arbitration. The arbitrators shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect, and shall have full power to make such regulations and to give such orders and directions in all respects as they shall deem expedient, as well as in respect to the claims and differences referred to them, and also with respect to the mode and times of executing and performing any of the acts or things which may be awarded or directed to be done. The arbitrators shall also allocate among the parties the fees and expenses of the arbitrators and the actual costs and expenses (including legal fees) incurred by the parties in connection with the arbitration in an equitable manner consistent with the decision of the arbitrator(s) regarding the resolution of the claims and differences referred to them, which allocation shall form part of the arbitrator(s)' written determination.

(e) Buyer's liability for all Claims under this Section 7 shall be subject to the following limitations: (i) Buyer shall have no liability for Claims until the aggregate amount of the Claims incurred exceeds One-Thousand Dollars (\$1,000.00) (the "Minimum Loss"); after the Minimum Loss is exceeded, Sellers shall be entitled to be paid the entire amount of the Claims, including the Minimum Loss, subject to the limitations on recovery and recourse set forth in this Section 7; and (ii) Buyer's aggregate liability for all Claims under this Section 7 shall not exceed the Purchase Price.

8 Application for FCC Approval.

8.1 Filing and Prosecution of Application. Buyer and Seller shall, not later than ten (10) business days from the date of this Agreement file with the FCC an application requesting its written consent to the assignment of the Licenses of the Station from Seller to Buyer.

8.2 **Expenses.** Each party shall bear its own expenses in connection with the preparation of the applicable sections of the FCC application and in connection with the prosecution of such application.

8.3 **Designation for Hearing.** If, for any reason, with respect to any application for assignment of the Licenses, the staff of the FCC advises that designation for hearing will be required, either party, if not then in default, shall have the right, by written notice within sixty (60) days of such notification, to terminate this Agreement, in which event neither party shall have any rights or liabilities hereunder.

8.4 **Time of FCC Consent.** If approval of the transfer of the Licenses has not become final (all protests and appeals having been decided or dismissed, or barred by the expiration of time and the period for review by the FCC on its own motion of a grant by the FCC staff on delegated authority having expired without the initiation of such review or else such review having been undertaken and an affirmance of the grant of consent having become final) within twelve (12) months from the date of filing the applications for transfer with the FCC, either party, if not then in default, may terminate this Agreement by giving written notice to the other. Upon such termination, neither party shall have any further right or liability hereunder. Buyer may elect, however, at its sole risk to consummate the transactions contemplated by this Agreement under an FCC approval which has not become final as herein provided.

8.5 **Control of Station.** This Agreement shall not be consummated until the FCC has given its written consent to the transfer of the Licenses of the Station to the Buyer. Until the Closing, Buyer shall not, directly or indirectly, control, supervise, direct or attempt to control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility of Sellers.

9 **Conditions to Parties' Obligations.**

9.1 **Conditions to Buyer's Obligations.** The obligations of Buyer to complete the transactions provided for herein shall be subject, at its election, to satisfaction on or before the Closing Date of each of the following conditions:

(a) Representations and warranties: all representations and warranties of Seller contained in this Agreement shall be true and correct in all respects as of the Closing Date (except as may be otherwise provided in this Agreement), and Buyer shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Seller;

(b) Pre-Closing obligations: Seller shall have performed all obligations required to be performed by Seller hereunder (including but not limited to obtaining a written assignment of the lease described in Exhibit 1.4.1, which shall include the right to install the equipment specified in Schedule 1.4.2) to Buyer, in form reasonably satisfactory to Buyer), the performance of which has not been waived by Buyer, and Buyer shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Seller;

(c) Due authorization: Seller's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby shall have been duly and validly authorized by all necessary company action on the part of Seller, including due authorization and approval thereof by their sole member, and Buyer shall have received a duly certified copy of all actions taken effecting the same;

(d) Seller's consents, etc.: all necessary notices, filings, consents, waivers and approvals set forth in Section 4.10 shall have been given, made or obtained, as the case may be, by Seller, and Buyer shall have received a true copy of each thereof;

(e) No bar: there shall not be in effect any judgment, decree or order of, or position taken by, any court or administrative body of competent jurisdiction, nor shall there have been any action, suit, proceeding or known investigation instituted or threatened, nor shall any law or regulation have been enacted or any action taken thereunder, which would, in Buyer's reasonable judgment, restrain or prohibit, make illegal, or subject Buyer to material damage as a result of, the consummation of the transactions contemplated hereby;

(f) FCC consent: the FCC shall have given the consent contemplated by Section 8;

(g) WJAN renewal application: The FCC shall have granted WJAN's license renewal application (BRH-200051201BIK), and the grant shall have become a final order.

(h) Further closing documents: Seller shall have delivered to Buyer the following documents and instruments in form reasonably satisfactory to counsel to Buyer:

(1) Certificates of the Secretary of State of the State of New York, attesting to the good standing of such Seller in such jurisdiction as of a date reasonably proximate to the Closing Date;

Warranty Bill of Sale transferring to Buyer title to the Tangible Assets; and

(4) Assignment and Assumption Agreements assigning to Buyer the Licenses, Assigned Contracts, Call Letters, Intangible Assets and Business Records.

(5) A favorable opinion of counsel for Seller, dated as of the Closing Date in substantially the form attached hereto as Exhibit B.

(6) A favorable opinion of FCC Counsel for Seller, dated as of the Closing Date In substantially the form attached hereto as Exhibit C.

(7) A certified copy of a resolution and consent of the members of the Seller authorizing and approving the transaction herein.

(i) Real estate taxes, etc.: Seller represents to Buyer that under current law and practice there are no real estate taxes associated with the lease described in Schedule 1.4.1;

(j) Prepaid credits: except as otherwise provided herein, all prepaid expenses or advertisements shall have been prorated between Buyer and Seller to the Closing Date. Buyer shall receive a credit towards the Purchase Price in an amount equal to Seller's then current trade or barter balance for the Station owned by it.

(k) Possession: Seller shall have delivered to Buyer actual possession of the Assets.

9.2 **Conditions to Seller's Obligations.** The obligations of Seller to complete the transactions provided for herein shall be subject, at its election, to satisfaction on or before the Closing Date of each of the following conditions:

(a) Representations and warranties: all representations and warranties of Buyer contained in this Agreement shall be true and correct in all respects as of the date hereof and as of the Closing Date as though made on and as of the Closing Date (except as may be otherwise provided in this Agreement), and Seller shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Buyer;

(b) Pre-Closing obligations: Buyer shall have performed all obligations required to be performed by it hereunder, the performance of which has not been waived by Seller, and Seller shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Buyer;

(c) Due authorization: Buyer's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby shall have been duly and validly authorized by all necessary action on the part of Buyer, and Seller shall have received a duly certified copy of all required consents effecting the same;

(d) No bar: there shall not be in effect any judgment, decree or order of, or position taken by, any court or administrative body of competent jurisdiction, nor shall there have been any action, suit, proceeding or known investigation instituted or threatened, nor shall any law or regulation have been enacted or any action taken thereunder, which would, in Seller's reasonable judgment, restrain or prohibit, make illegal, or subject Seller to material damage as a result of, the consummation of the transactions contemplated hereby;

(e) FCC consent: the FCC shall have given the consent contemplated by Section 8;

(f) Further closing documents: Buyer shall have delivered to Seller the following documents and instruments:

(1) Certificate of the Secretary of the State of Vermont, attesting to the good standing of any entity named as Buyer in such jurisdiction as of a date reasonably proximate to the Closing Date; and

(2) Assignment and Assumption Agreements by which Buyer assumes the Licenses, Assigned Contracts, Call Letters, Intangible Assets and Business Records.

(g) Real estate taxes, etc.: except as otherwise expressly provided herein, all taxes, assessments, utilities, insurance and water charges shall have been prorated between Buyer and Seller to the Closing Date.

10 **Closing.** Subject to the terms and conditions herein stated, the parties agree as follows:

10.1 **Closing Date.** The Closing of the transaction provided for in this Agreement shall be held not later than Ten (10) business days following the date upon which the order of the FCC approving the assignment of the Licenses for the Station from Seller to Buyer has become final (i.e., no action, request for stay, petition for rehearing or reconsideration, or appeal is pending and the time for filing such request, petition, or appeal has expired and the period for review by the FCC on its own motion of a grant by the FCC staff on delegated authority having expired without the initiation of such review or else such review having been undertaken and an affirmance of the grant of consent having become final) (the "Closing Date"). Such Closing shall take place at the offices of Robert L. Adams, Esq., or by mail at 10:00 a.m. on the Closing Date, or such other place and time as mutually agreed. Notwithstanding the foregoing, Buyer shall have the right to require closing at any time following FCC approval which has not yet become final.

10.2 **Failure to Close; Termination.** This Agreement may be terminated at any time prior to the Closing Date, as follows:

(a) by the mutual consent of Seller and Buyer;

(b) as provided by Sections 6.4, 8.3, or 8.4 of this Agreement. or

(c) by Seller, upon notice to Buyer, if on the Closing Date, without any breach by Seller of its obligations hereunder, Buyer has not complied with one or more of the conditions set forth in Section 9.2 (and such compliance is not waived by Seller); or

(d) by Buyer, upon notice to Sellers, if on the Closing Date, without any breach by Buyer of its obligations hereunder, Seller has not complied with one or more of the conditions set forth in Section 9.1 (and such compliance is not waived by Buyer);

In the event of any termination as provided by this Section 10.2 (a) or (b), this Agreement shall thereupon become void and of no effect, without any further liability on the part of any party and the deposit and all accrued interest shall be returned to the Buyer. In the event that there is a termination pursuant to this Section 10.2 (c) or (d), the parties shall have the remedies provided for in Sections 11.

11 **Remedies.** Seller's remedies for breach by Buyer shall be to retain the Deposit as liquidated damages and to pursue any actions and/or rights available to it under any laws, rules, regulations and ordinances. In the event that Seller materially breaches this Agreement, it is agreed that the rights and privileges granted to Buyer in this Agreement are special and unique and that the Buyer shall be entitled to seek injunctive and other equitable relief, including without limitation specific performance, in a court of competent jurisdiction, and if such relief is granted, the Buyer shall be entitled to recover from the Seller all costs and expenses (including reasonable attorneys' fees) incurred in securing such injunctive or other equitable relief. Buyer may seek monetary damages arising from such material breach by Seller in lieu of specific performance, but Buyer may not seek both specific performance and monetary damages. [

12 **Further Covenants.**

12.1 **Taxes.** All taxes originating from this transaction shall be paid by the party responsible by law to pay such tax.

12.2 **Expenses of the Parties.** Except as otherwise expressly provided in this Agreement, all expenses involved in the preparation, negotiation, authorization and consummation of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel and accountants, shall be borne solely by the party who shall have incurred the same, and no other party shall have any responsibility with respect thereto.

12.3 **Confidentiality.** Except for necessary disclosure to such party's directors, officers, members, employees, counsel, accountants, lenders and other agents, and except for the disclosure contemplated by Section 8 and such disclosure as may be required by law, each party shall keep the provisions of this Agreement confidential both prior and subsequent to the Closing Date. Without limiting the generality of the foregoing, no party shall make any press release or advertisement with respect to the transactions contemplated hereby without the prior consent of the other party, unless the disclosing party determines, upon the advice of counsel, that such action is required by law, and then the disclosing party shall promptly notify the other party of such disclosure.

12.4 Broker's Fee. Each party will be solely responsible for any and all brokerage fees asserted against it by a person or entity claiming entitlement to such fees as a result of this transaction.

12.5 Further Assurances. Each party shall cooperate with the other, take such further action, and execute and deliver such further documents, as may be reasonably requested by any other party in order to carry out the terms and purposes of this Agreement. Without limiting the generality of the foregoing, from and after the Closing Date:

(a) each party shall file all tax returns consistent with the allocation of the Purchase Price as agreed prior to closing by the parties, and no party shall take any position on audit or in litigation which is inconsistent with such allocation if such position would result in the payment of any additional tax by, or the disallowance of any deduction or credit to, any other party; and

(b) upon request, each party shall take such action and deliver to the requesting party such further instruments of assignment, conveyance or transfer and other documents of further assurance as in the opinion of counsel to the requesting party may be reasonably desirable to assure, complete and evidence the full and effective transfer, conveyance and assignment of the Assets and possession thereof to Buyer, its successors and assigns, and the performance of this Agreement by Seller and Buyer in all respects.

12.6 Possible relocation of broadcast site. In the event that Buyer makes arrangements prior to closing to relocate the broadcasting site from the current location on Mount Equinox to another site, Seller shall, at Buyer's request, reasonably cooperate in the filing an assignment application with the FCC and in connection with any other regulatory reviews and approvals required therefore. Notwithstanding the foregoing, if prior to completion of such arrangements the lease described in Schedule 1.2 shall have been assigned to Buyer and shall be in full force and effect, then Buyer shall be responsible for Lessee's obligations under the lease. Seller agrees not to execute such lease and assignment prior to Closing without Buyer's prior consent, which shall not unreasonably be withheld.

13 General Provisions.

13.1 Survival of Representations, Warranties and Covenants. The several representations, warranties and covenants of the parties herein contained, and the provisions hereof which by their terms are to be performed after the Closing Date, shall survive the Closing Date for the periods set forth herein, and shall be effective regardless of any investigation which may have been or may be made at the time by or on behalf of the party to whom such representations, warranties, covenants and agreements are made.

13.2 Amendment and Waiver. This Agreement may be amended only by a writing executed by each of the parties hereto. No waiver of compliance with any provision or condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing duly executed by the party sought to be charged therewith. No failure on

the part of any party to exercise, and no delay in exercising, any of its rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right preclude any other or future exercise thereof or the exercise of any other right.

13.3 Assignment. No party shall assign or attempt to assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto. Notwithstanding the foregoing, Buyer may freely assign this Agreement to another entity which is demonstrated to be fully capable of performing Buyer's obligations, including without limitation demonstration of such assignee's financial capabilities and creditworthiness.

13.4 Notices, Etc. Each notice, report, demand, waiver, consent and other communication required or permitted to be given hereunder shall be in writing and shall be sent either by registered or certified first-class mail, postage prepaid and return receipt requested, or by nationally recognized overnight courier, addressed as follows:

If to Seller:

Pamal Broadcasting, Ltd.
6 Johnson Road Licenses, Inc.
9D Johnson Road
Latham, New York 12110

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

Robert L. Adams
600 Broadway, 1st Floor
Albany, New York 12207

If to Buyer:

Mark Vogelzang, President
Vermont Public Radio
365 Troy Avenue.
Colchester, Vermont 05546

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

Robert E. Woolmington, Esq.
Witten, Woolmington, Campbell & Boepple, P.C.
P.O. Box 2748
4900 Main Street
Manchester Center VT 05255

Each such notice or other communication given by mail shall be deemed to have been received five (5) days after it is deposited in the United States mail in the manner specified herein, and each such notice or other communication given by nationally recognized overnight courier shall be deemed to have been received on the next business day after it is deposited with such courier

for overnight delivery. Any party may change its address for the purpose hereof by giving notice in accordance with the provisions of this Section 13.4.

13.5 **Binding Effect.** Subject to the provisions of Section 13.3, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement creates no rights of any nature in any person not a party hereto.

13.6 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York and any legal action with respect hereto shall be brought in the state or federal court in the State of New York having jurisdiction and shall be venued in Albany County, New York.

13.7 **Effect of Agreement.** This Agreement sets forth the entire understanding of the parties, and supersedes any and all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof.

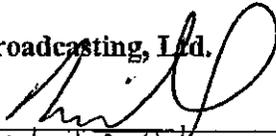
13.8 **Headings; Counterparts.** The Article and Section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intention of the parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement. Any party who delivers such a signature page by facsimile agrees to deliver later an original counterpart to any party that requests it.

[Signature Page Follows]

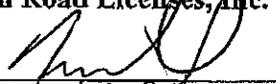
IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first written above.

SELLER:

Pamal Broadcasting, Ltd.

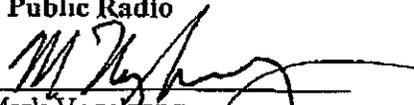
By: 
Name: Michael Dufort
Title: Asst. Secretary Treasurer

6 Johnson Road Licenses, Inc.

By: 
Name: Michael Dufort
Title: Asst. Secretary Treasurer

BUYER:

Vermont Public Radio

By: 
Name: Mark Vogelzang
Title: President & General Manager