

LOCAL MARKETING AGREEMENT

THIS LOCAL MARKETING AGREEMENT (“Agreement”) is made and entered into this 22nd day of May, 2003 by and between Radio Lake Placid, Inc., a New York corporation (“Licensee”), and Saranac Lake Radio, LLC, a New York limited liability company (“Programmer”).

W I T N E S S E T H:

WHEREAS, Licensee holds the FCC license for, owns, and operates radio stations WIRD(AM), Facility ID 54652, and WLPW (FM), Facility ID 54653, Lake Placid, New York, and WRGR (FM), Tupper Lake, New York, Facility ID 56078 (WLPW and WRGR, but not WIRD, hereinafter referred to as the “Stations”); and

WHEREAS, Licensee, Licensee’s stockholders, and Programmer anticipate entering into a certain Stock Purchase Agreement (the “Stock Purchase Agreement”), pursuant to which Programmer will acquire all of the corporate stock of Licensee; and

WHEREAS, during the period beginning on the Effective Date and continuing until the termination date specified herein, Licensee desires to sell to Programmer air time on all of the Stations except WIRD for the broadcast of programs provided by Programmer; and

WHEREAS, Programmer has available 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.

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

Section 1. Purchase of Air Time. Subject to the terms and conditions herein, Programmer shall purchase airtime on the Stations for the price and on the terms specified below, and shall deliver to Licensee programming (the “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 a.m. each [one day of week] (the “Broadcasting Period”).

Section 2. Term. The term of this Agreement (the “Term”) shall begin on _____, 2003 (the “Effective Date”) and shall continue until the earlier of the Closing Date (as defined in the Stock Purchase Agreement) or five (5) years from the Effective Date, unless earlier terminated in accordance with the provisions set forth in Sections 18 or 25.

Section 3. Payments to Licensee. For the broadcast of the Programs, for every calendar month beginning on the Effective Date, Programmer will pay to Licensee, monthly in advance, the sum of Three Thousand Dollars (\$3,000.00) (the “Monthly Fee”). The Monthly Fee shall be reduced by One Thousand Dollars (\$1,000.00) per month (*i.e.*, \$3,000.00 for the first month of the Term,

\$2,000.00 for the second month, \$1,000.00 for the third month, and thereafter zero (but never less than zero)) until the Stock Purchase Agreement has been executed by both parties, at which time the Monthly Fee shall return to \$3,000.00. Programmer will also reimburse Licensee for Licensee's operating expenses listed in Section 16 and Schedule A hereof. A monthly budget for these operating expenses will be agreed on in advance, with each party acting reasonably, and may be amended by agreement of the parties at any time. Licensee will not be required to reimburse expenses in excess of the budget or to reimburse expenses more than three (3) business days before they must be paid by Licensee. If the Term does not begin on the first day of a month or does not end on the last day of a calendar month, the sums payable for any partial month shall be pro-rated based on the number of days in that month. Any payment of the Monthly Fee that is delivered to Licensee more than fifteen (15) business days late will bear interest at the rate of eight percent (8%) per annum, calculated on a daily basis. Any reimbursement of operating expenses that is paid to Licensee after the date on which Licensee is obligated to pay such expenses shall include any late fee or other additional amount that Licensee must pay because the payment is late.

Section 4. Use of Licensee's Premises and Delivery Facilities. Programmer shall have the right to occupy Licensee's studio and office buildings and to use all furniture, fixtures and equipment therein, but space will be set aside for the use of Licensee's employees. Programmer shall pay rent to Licensee in the amount of One Thousand Five Hundred Dollars (\$1,500.00) per month for such occupancy and use until closing on the Stock Purchase Agreement, which amount will be in addition to the amounts payable under Section 3 hereof. The detailed terms and conditions of Programmer's occupancy will be documented in a separate lease or sub-lease and will include up to six (6) months of rent-free occupancy after closing on the Stock Purchase Agreement. Programmer will have the right to use Licensee's studio-transmitter links, telephone company lines, and/or other facilities that are in place for delivery of Programming to Licensee's transmitters. Licensee will retain in place such delivery facilities as are currently in operation, and will allow Programmer's use thereof (except with regard to facilities used for WIRD), at no additional charge to Programmer. If Programmer desires modification of or addition to such delivery facilities, Licensee will cooperate in obtaining any required licenses or permits, but all costs of additional or modified facilities will be borne by Programmer. Programmer may also install and utilize telephone lines for the conduct of its business operations at Licensee's premises, at Programmer's cost and expense.

Section 5. WIRD. Programmer is not purchasing any air time on WIRD and will not provide any programming for broadcast on WIRD. All programming and air time sales on WIRD shall remain the sole responsibility of Licensee. Programmer will provide personnel to supervise the delivery of programming to the WIRD transmitter and to monitor the technical parameters of the WIRD transmitter at no charge to Licensee, and Licensee may request the use of Programmer's traffic and billing systems for Licensee's operation of WIRD; but Programmer will not provide any other functions for or services to WIRD and may charge a reasonable fee for more than nominal traffic and billing services.

Section 6. Revenues from Sale of Time. All revenues derived from the sale of advertising or program time on the Stations and other activities by Programmer relating to the Programming will belong to and be retained in full by Programmer. Programmer will not be restricted, except as may be

prohibited by law or governmental regulation, from selling time on the Stations in combination with the sale of time on other stations owned or operated by Programmer or otherwise. All rates for the time sold by Programmer will be determined by Programmer, except with regard to time sold or given to candidates for political office or for the advocacy of positions on ballot issues, as provided in Section 9(b). If Licensee pre-empts any of the Programming, whether or not permitted by this Agreement, any revenues derived during the pre-empted time shall be reported to Programmer and credited against the operating expenses of the Stations and thereafter against the Monthly Fee that Programmer is required to pay. All bills rendered by Programmer to purchasers of time must be rendered in writing and must accurately reflect material broadcast by the Stations for which the bill is rendered. Bills not payable in cash or subject to rebate or promotional benefits must so indicate in writing on the bill. Licensee will have the right to inspect Programmer's records and bills from time to time to determine compliance with this obligation, but any information derived from such inspection shall be kept confidential by Licensee except as may otherwise be ordered by governmental authority or if a violation of law is found.

Section 7. Licensee's Advertising Contracts. Licensee will furnish to Programmer, prior to the Effective Date, a list of contracts (if any) for programming and advertising on the Station which will not have been completely fulfilled as of the Effective Date. Programmer will assume and fulfill all such contracts that it does not reject promptly after presentation. Revenues for broadcasts on or after the Effective Date, up to the termination date of this Agreement, will belong to Programmer. Any funds received by Programmer in payment for broadcasts prior to the Effective Date will remain the property of the Licensee entity (by whomever owned) and will be segregated and not dissipated until the Stock Purchase Agreement has either been closed or terminated without closing. Funds received in payment of accounts of both Licensee and Programmer will be applied to the oldest debt first unless the payer specifies otherwise.

Section 8. Accounts Receivable. Any and all accounts receivable of Licensee as of the Effective Date will remain the property of Licensee but will be collected by Programmer and held as provided in Section 7 for payment for broadcasts prior to the Effective Date. Programmer will not be required to undertake any lawsuit or other extraordinary measure to collect any of Licensee's accounts receivable. Any accounts receivable of Programmer will remain the property of, and be collected solely by, Programmer.

Section 9. Programs.

(a) 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, subject to Licensee's right of pre-emption in Section 13 hereof. In producing the Programs to be broadcast on the Stations, Programmer will abide by the regulations and restrictions set forth in Schedule A to this Agreement. Programmer agrees that the content 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 to ensure that the Programs' content contains material responsive to issues of public concern in the Stations' respective communities of license; and Programmer will provide Licensee with information about its

programs for the Stations' public inspection files. 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.

(b) Political Time. Licensee will oversee and take ultimate responsibility for the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer will cooperate with Licensee as Licensee complies with its political broadcast responsibilities and will 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. Licensee will have the ultimate authority to make decisions regarding the Stations' political advertising rates and requests by political candidates for airtime. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC and the provisions of Section 315 of the Communications Act of 1934, as amended; *provided, however*, that any revenues received by Licensee, as a result of any such release of advertising time, shall be remitted to Programmer within fifteen (15) days of Licensee receiving these revenues.

Section 10. Maintenance, Equipment, Signal, and Licenses. So long as this Agreement is in effect, Licensee shall maintain the operating power of the Stations at the maximum level authorized by the FCC for the Stations and shall repair and maintain the Stations' towers, transmitter sites, and transmitters, antennas, and studio-transmitter links in good working order. Programmer shall undertake and perform maintenance of the Stations' studio equipment (excluding replacement in case of major failure, which shall be Licensee's responsibility) and shall also maintain any buildings or other premises to the extent normally required of a building tenant. Licensee shall also maintain all FCC licenses necessary for operation of the Stations in full force and effect and in good standing, including renewing such licenses when and as required, and shall file all reports with the FCC that the Stations are required to file.

Section 11. Authority. Each of Programmer and Licensee represents and warrants to the other that it has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Each of Licensee and Programmer is a legal business entity is in good standing in the state of its formation and qualified to do business in the State of New York. The signatures appearing for Programmer and Licensee, respectively, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them. Neither the execution, delivery, nor performance by Licensee or Programmer of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any contract, lease, agreement, or governmental order to which Licensee or Programmer, respectively, is a party or by which either of them is bound.

Section 12. Operation, Ownership and Control of the Stations.

(a) Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Stations, Licensee shall have full authority, power and control over the operation of the Stations and over all persons working at the Stations. 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 shall: (i) provide a general manager for the Stations, at no cost to Programmer, who will report to Licensee and will direct the day-to-day operations of the Stations, and who will have no employment, consulting, or other relationship with Programmer; (ii) employ an administrative assistant or other employee, who may report and be accountable to both the Licensee and the Programmer but will answer solely to Licensee with respect to Licensee's responsibilities; and (iii) retain control over the policies, programming and operations of the Stations, including the right to preempt any programming it deems unsuitable or contrary to the public interest.

(b) Nothing contained herein shall prevent or hinder Licensee from (i) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (ii) substituting a program (or programs) which Licensee believes to be of greater local or national importance or which is (or are) designed to address the problems, needs and interests of the community of license of each of the Stations that are unmet by the Programs. If in any month Licensee preempts any Program(s) pursuant to this Section 12(b) (but not preemptions pursuant to Section 12(c)), Licensee shall refund to Programmer such portion of the monthly payment made to Licensee pursuant to Section 3 as the total time preempted bears to the total amount of time in the Broadcasting Period for such month.

(c) Licensee reserves the right:

(i) to refuse to broadcast any Program containing matter which violates, or which Licensee reasonably believes violates, or which a third party reasonably claims to violate, any right of any third party, or which may constitute a "personal attack" as that term has been defined by the FCC;

(ii) 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 9 or in Schedule A hereto;

(iii) to preempt any Program in the event of a local, state, or national emergency; and

(iv) to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy set forth in 47 C.F.R. Sections 73.1212 and 73.4242, and as these requirements may be changed from time to time by the FCC.

(d) Programmer agrees immediately serve Licensee with notice and a copy of any letter of complaint it receives concerning any of the Programming for Licensee's review and inclusion in its public inspection file.

Section 13. Call Signs. Licensee shall retain any rights it has to the current call letters for the Stations and any other call letters, which may be assigned by the FCC for use by the Stations, and will ensure that proper Stations identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer will include in the Programs it delivers for broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify the Stations by call letters used by Licensee for the Stations, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use the call letters WLPW, WRGR, or other call letters used by Licensee for the Stations in its Programs and in any promotional material, in any media, used in connection with the Programs.

Section 14. Music Licenses. Licensee shall maintain in full force and effect in its own name all music performance licenses ("Music Licenses") as are currently operative with respect to the Stations or are required for the broadcast on the Stations of commonly available music, but the cost thereof will be an expense reimbursable by Programmer. If Programmer obtains its own music performance licenses for the Stations, Licensee shall nevertheless maintain any licenses required for radio stations that are subject to time brokerage agreements that are Licensee's obligation.

Section 15: EAS Compliance. Licensee shall be responsible for the Stations' compliance with Emergency Action System ("EAS") compliance, but Programmer shall provide personnel to supervise the Stations' EAS receiver(s) and to ensure the transmission of required weekly tests and the proper logging of transmitted and received tests.

Section 16. Expenses.

(a) During the Term, Programmer shall be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs all other costs and expenses incurred by Programmer in any and all of its operations.

(b) Licensee shall pay the operating expenses of the Stations, including maintenance of transmitter, antenna, and STL equipment; major repair or replacement of studio equipment and furniture; insurance on Licensee's property and operations; rent (if any) at transmitter and studio locations; any real or personal property taxes imposed on Licensee's assets (but not taxes on Licensee's income); all utilities supplied to its transmitter sites; and the salaries, taxes, insurance and related costs for all of Licensee's own employees. Such operating expenses shall be subject to reimbursement if listed in the budget referred to in Section 3 hereof.

Section 17. Licensee's Employees. Programmer shall be permitted, but not obligated, to offer employment to any of Licensee's employees. Programmer shall not be responsible for any of Licensee's cash or other obligations to such employees that accrue prior to the Effective Date.

Section 18. Default and Termination.

(a) Either party may terminate this Agreement, if not itself in material default, if the other party is in material default and has not cured such default after twenty (20) calendar days after receiving notice of default, *provided, however*, that Licensee may refuse, without a cure period, to broadcast any specific programs or advertising that it believes exposes it to a substantial risk of FCC enforcement action.

(b) This Agreement shall terminate at the earlier of the Closing Date under the Stock Purchase Agreement or the end of the Term.

(c) Either party may terminate this Agreement if the FCC's policies or rules change in a manner that would require such termination, or, in Licensee's reasonable judgment, would expose the Licensee to enforcement action if this Agreement continues in effect, by providing the other party with thirty (30) days advance written notice (but subject to the termination right in Section 18(a)). Prior to terminating pursuant to this Section 18(d) the parties shall negotiate in good faith to reform this Agreement to comply with any changed FCC rules or policies.

Section 19. 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 or relating to the broadcast of the Programs. Further, Programmer warrants that the broadcasting of the Programs will not violate any rights of any third party, and Programmer agrees to indemnify and hold the Stations, and Licensee's officers, directors, agents, LLC members, stockholders, and employees harmless against any claim, damages, liability, costs and expenses, including counsel fees and expenses (at trial and on appeal), arising from the production and/or broadcasting of the Programs. Licensee shall indemnify and hold Programmer harmless against any and all liability resulting from the broadcasts of material on the Stations other than the Programming and from any alteration of the Programming by a party other than Programmer. These obligations to indemnify shall survive any termination of this Agreement for any applicable statute of limitations. Indemnification procedures shall be the same as provided in the Stock Purchase Agreement.

Section 20. Force Majeure.

(a) The failure of either party hereto to comply with its obligations under this Agreement resulting from Acts of God, strikes, lockouts, material or labor restrictions, governmental action, riots, war, natural disasters or any other cause not reasonably within the control of that party shall not be deemed a default under this Agreement, and neither party will be liable to the other party therefor.

(b) Notwithstanding the provisions of Section 20(a), (i) any failure of Licensee to broadcast the Programs with the Stations operating at not less than ninety percent (90%) of their FCC-

authorized power beyond a brief interruption in service, not to exceed four (4) consecutive hours or twelve (12) hours during any calendar month, shall entitle Programmer to a *pro rata* reduction in the Monthly Fee and reimbursement of expenses with respect to periods during which Licensee's facilities failed or were impaired or were not furnished; and

(ii) any failure of Licensee to broadcast the Programs for ten (10) or more consecutive days shall entitle Programmer to terminate this Agreement; and

(iii) any failure of Programmer to provide the Programs for ten (10) or more consecutive days shall entitle Licensee to terminate this Agreement.

(c) Programmer and Licensee each agree to exercise its reasonable best efforts to remedy any interruption of broadcasts as soon as practicable.

Section 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. In the event of a conflict between this Agreement and the Stock Purchase Agreement, the Stock Purchase Agreement shall prevail.

Section 22. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by both 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.

Section 23. Relationship of Parties. Neither Programmer nor Licensee shall 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.

Section 24. Assignability; No Third Party Rights. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of the other party hereto, *provided, however*, that Programmer may assign this Agreement to any legal entity controlled by Edward S. Morgan. Such assignee shall have the same right of further assignment as Programmer under this Section 24. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted heirs, successors, and assigns; and nothing herein is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted heirs, successors, and assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. Programmer shall not enter into a local programming and marketing agreement with respect to any or all of the Stations, or any agreement to sell blocks of time more than 15 minutes in length (including consecutive shorter blocks that total more than 15 minutes) with any third party without the advance written consent of Licensee.

Section 25. Governmental Action. In the event that a federal, state or local governmental authority designates a hearing with respect to the continuation, revocation or renewal of any license or authorization held by Licensee for the operation of the Station; orders the termination of this Agreement; orders the curtailment in any manner material to the provision of Programming by Programmer hereunder; or determines that other similar time brokerage agreements, in whole or in part, are contrary to public or Governmental policy, then either party may seek administrative or judicial relief from such order(s), in which event each party will cooperate with the other in such effort; or either party may terminate this Agreement upon reasonable notice to the other. If the FCC issues a notice of apparent liability for forfeiture against Licensee relating to any aspect of this Agreement, Licensee may terminate this Agreement upon written notice to Programmer. The outstanding Notice of Apparent Liability resulting from an inspection of the Stations by the FCC in 2002 shall be treated as an indemnification obligation under Section 19 and not as an event entitling Programmer to terminate this Agreement. If the FCC designates any application of the Station for a hearing or issues a Notice of Apparent Liability or takes other action assessing a forfeiture against Licensee for any dereliction attributable solely to Licensee, Licensee will be responsible for its expenses incurred as a consequence of the Commission proceeding; *provided, however*, that Programmer will cooperate and comply with any reasonable request of Licensee to assemble and provide to the Commission information relating to Programmer's performance under this Agreement. In the event the Commission designates any application of the Station for hearing or issues a Notice of Apparent Liability or other document assessing a forfeiture against Licensee for derelictions attributable solely to Programmer, Programmer will reimburse Licensee for the amount of any forfeiture and all related costs and/or for all expenses attributable to the hearing procedure and will fully cooperate with Licensee in defending the Station's License. In the event the Commission designates an application of the Station for hearing solely as a consequence of the existence of this Agreement or for derelictions attributable to both parties, they will share equally all expenses attributable to the hearing procedure and will cooperate in defending the Station's Licensee. In the event of termination pursuant to this Paragraph, Programmer will pay to Licensee any fees due but unpaid as of the date of termination as may be permitted by the Commission, and Licensee will reasonably cooperate with Programmer to the extent permitted to enable Programmer to fulfill advertising or other programming contracts then outstanding, in which event Licensee will receive as compensation for the carriage of such programming that which otherwise would have been paid to Programmer thereunder.

Section 26. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original, but all of which shall be one and the same document.

Section 27. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and personally served, delivered by Federal Express or a similar overnight courier service, expenses prepaid, or sent by facsimile communications equipment, addressed as set forth below:

To Licensee:

Radio Lake Placid, Inc.
21 Marcy Road
Lake Placid, New York 12946
Attention: Mr. Timothy Nardiello
Facsimile: (518) 523-1349

To Programmer:

Mr. Edward S. Morgan
c/o Stations WNBZ/WYZY
Colony Court Extension
Saranac Lake, New York 12983
Facsimile: (518) 891-1545

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice. Any such notice or communication shall be deemed to have been received (i) when delivered, if personally delivered, (ii) when sent, if sent by facsimile and acknowledged by the receiving machine's answerback on any day that is not a Saturday, Sunday, legal holiday or day on which banks in New York State are required to be closed, or (iii) on the next Business Day after dispatch, if sent by nationally recognized, overnight courier guaranteeing next Business Day delivery.

Section 28. Construction. To the extent not governed by federal law, this Agreement will be construed in accordance with the laws of the State of New York without regard to conflicts of law principles thereof.

Section 29. 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, provided that the basic intent and economic positions of the parties are maintained under the Agreement as modified. This Section 29 shall not relieve either party of its obligations under Section 25 hereof.

Section 30. 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.

Section 32. Successors and Assigns. This Agreement shall be binding and inure to the benefit of parties hereto and their respective permitted heirs, successors and assigns.

Section 33. Certifications.

(a) Programmer hereby represents, warrants and certifies that this Agreement complies with the provisions of Sections 73.3555(a) of the FCC's rules and regulations regarding multiple ownership of broadcast stations, in effect as of the date hereof.

(b) Licensee hereby covenants and certifies that it shall maintain ultimate control over the Stations' facilities including, without limitation, control over the finances with respect to the operation of each Station, over its personnel operating each Station, and over the programming to be broadcast by each Station.

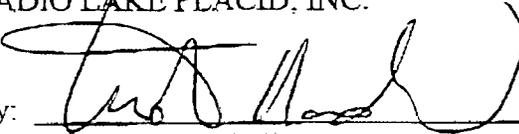
Section 34. Mail and Telephone Calls. Programmer and Licensee will each promptly refer to the other any mail or telephone calls received by it that were intended for the other party. Programmer will in also turn over to Licensee for the public file any paper or electronic mail it receives commenting on the programming or operation of the Stations, excluding routine fan mail from listeners, and any mail received from the FCC concerning the Stations.

Section 35. No Shop Provision. From the date of execution of this Agreement until the Stock Purchase Agreement has either been closed or terminated without closing. Neither Licensee nor any officer, director, stockholder, agent, or other representative of Licensee shall accept, entertain, solicit, seek, or discuss (other than to reject an unsolicited offer without negotiation) any offer to purchase any of the stock of Licensee or assets of all or any of the Stations or WIRD. Licensee shall promptly report to Programmer the receipt of any solicitation, offer, or inquiry relating to any purchase of stock of the Licensee or assets of the Stations or WIRD.

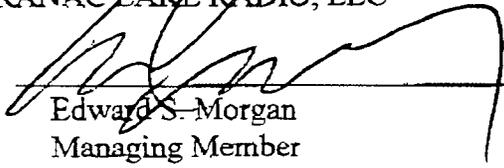
Section 36. Right of First Refusal. If the Stock Purchase Agreement is terminated without closing, then during the remainder of the Term, Programmer (or its authorized assignee or successor) shall have a right of first refusal to purchase the assets and FCC Authorizations of any or all of the Stations or WIRD or the stock of Licensee should Licensee or its stockholders decide that they are willing to accept an offer for such assets or stock received from a third party. In the event of the receipt of any such acceptable offer, Licensee shall within two (2) business days communicate the terms of the offer to Programmer. Programmer shall then have ten (10) business days in which to exercise its right to purchase on the same terms and conditions; and if Programmer does exercise that right, the parties shall promptly negotiate and implement a suitable asset or stock purchase agreement. The "same terms and conditions" shall mean in all material respects, the same price with the same type of consideration, the same timing of payment, and any other terms and conditions of the offer that are of material benefit to Licensee or its stockholders.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives, each as of the date first above written.

RADIO LAKE PLACID, INC.

By:   5/27/03
Timothy Nardiello
President Secretary
KATHRYN OR NARDIELLO
President

SARANAC LAKE RADIO, LLC

By:  5/27/03
Edward S. Morgan
Managing Member

SCHEDULE A TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

REGULATIONS AND RESTRICTIONS

Programmer will take care to observe and exercise reasonable diligence to comply with the following regulations and restrictions in the preparation, writing and broadcasting of the Programs

- I. Respectful of Faiths. The subject of religion and references to particular faiths, tenets and customs will be treated with respect at all times.
- II. No Attacks. The Programs will not be used as a medium for attack on any race, ethnic group, gender, nationality, disability, faith, denomination or sect or upon any individual or organization.
- III. Controversial Issues. Any discussion of controversial issues of public importance will be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity or like personal qualities of any person or group of persons will be made during the discussion of controversial issues of public importance; and, during the course of political campaigns, the Programs are not to be used as a forum for editorializing about individual candidates.
- IV. No Plugola or Payola. The mention of any business activity or “plug” for any commercial, professional or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited. No commercial messages (“plugs”) or undue references shall be made in programming presented over the Stations to any business venture, profit making activity or other interest (other than noncommercial announcements for bona fide charities, religious activities or other public service activities) in which Programmer is directly or indirectly interested without the same having been approved in advance by the Stations’ general managers and such broadcast being announced, logged and sponsored.
- V. No Gambling. Any form of gambling on the Programs is prohibited.
- VI. Election Procedures. At least ninety (90) days before the start of any election campaign, Programmer will clear with the Stations’ general manager the rate(s) that Programmer will charge for the time to be sold to candidates for public office or their supporters to make certain that such rate(s) conforms with applicable law and the Stations’ policies.
- VII. Required Announcements. Programmer will broadcast any announcements required by applicable law or the Stations’ policies.
- VIII. Credit Terms Advertising. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms will be made over the Stations beyond mention of the fact that, if desired, credit terms are available.

- IX. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game will be made over the Stations. Any game, contest or promotion relating to, or to be presented over, the Stations must be fully stated and explained in advance to Licensee, which reserves the right, in its discretion to reject any game, contest or promotion.
- X. Licensee Discretion Paramount. In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Stations which is in conflict with the Stations' policies or which, in Licensee's judgment, would not serve the public interest.
- XI. Programming Prohibitions. Programmer will not knowingly broadcast any of the following programs or announcements:
- A. False Claims. False, deceptive or unwarranted claims for any product or service.
 - B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy or any other unfair competition.
 - C. Profanity and Foul Language. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

Licensee may waive any of the foregoing regulations and restrictions in specific instances if, in its opinion, good broadcasting in the public interest is served thereby.

EXHIBIT 1 TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

OPERATING EXPENSES

Programmer shall reimburse Licensee for its reasonable operating expenses of the Stations incurred by Licensee in the ordinary course of business, consistent with industry custom, and as approved in advance in a budget, including the following:

1. Transmitter operation, maintenance, and minor repairs. All replacement parts or equipment paid for by Programmer will be owned by Programmer.
2. Transmitter site and tower rent, utilities and other services to the premises.
3. Any salary or other expense incurred by Programmer for an employee other than its General Manager.
7. Fees for music performance licenses.
8. FCC filing and regulatory fees.
9. Real and personal property taxes on the assets of the Stations.
10. Insurance premiums and coinsurance for (a) property and casualty insurance for the tower, transmitting equipment, the studio and studio furnishings and equipment and (b) general liability insurance.
11. Note # 5700165614 will be paid by SLR, LLC until closing with proceeds credited to EDA and Morgan at closing - or termination -

