

## LOCAL MARKETING AGREEMENT

This LOCAL MARKETING AGREEMENT entered into as of the 14th day of August, 2009 (this "Agreement"), by and between BUCKLEY BROADCASTING OF NEW YORK, LLC, a Delaware limited liability company ("Licensee") and LEATHERSTOCKING MEDIA GROUP, INC., a New York corporation ("Programmer").

### **RECITALS:**

WHEREAS, Licensee owns and is authorized to operate radio stations WSEN(AM), Facility ID No. 7712, Baldwinsville, New York, WSEN-FM, Facility ID No. 7716, Baldwinsville, New York, and WFBL(AM), Facility ID No. 34821, Syracuse, New York (the "Stations"), pursuant to licenses, permits and authorizations issued by the Federal Communications Commission ("FCC"); and

WHEREAS, Licensee and Programmer have entered into a certain Asset Purchase Agreement dated of even date herewith (the "Purchase Agreement") with respect to sale of the Stations to Programmer, and Licensee desires that Programmer will provide programming for the Stations and sell advertising time on the Stations in the interim period before closing of the transaction contemplated by the Purchase Agreement, and Programmer desires to provide such programs and sell the advertising time on the Stations as further provided herein;

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

1. Sale of Time. Subject to the provisions of this Agreement and the applicable rules, regulations and policies of the FCC, Licensee agrees to make the Stations' broadcasting transmission and studio facilities available to Programmer for broadcast of Programmer's programs on the Stations (the "Programming"). Programmer will have the right to broadcast on the Stations up to twenty-four (24) hours of programming each day during the Term, as defined herein. Notwithstanding the foregoing, Licensee reserves up to two (2) hours of the Stations' time per week for its own use for public affairs programming at a mutually agreeable time.
2. Term. The term of this Agreement shall commence on September 1, 2009 (the "Effective Date") and, unless earlier terminated as provided in this Agreement, shall continue in full force and effect for a period of twelve (12) months (the "Term").
3. Consideration. As consideration for the air time made available by Licensee hereunder during the Term, Programmer shall pay Licensee a monthly sum in accordance with Schedule A hereto.

4. Licensee's Responsibility for Expenses. Licensee shall be solely responsible for payment of all the direct and indirect operating costs (except directly related to Programmer's use of the facilities of the Stations), including but not limited to:

(a) salaries, payroll taxes, insurance, benefits and related costs of Licensee's Chief Operator and other personnel employed by Licensee in the operation of the Stations as required by FCC rules, regulations and policies, or otherwise at the request of Programmer;

(b) insurance costs relating to Licensee's owned assets and operations;

(c) Licensee's own telephone, delivery and postal service;

(d) income, gross receipts, sales, real property, personal property, excise and/or any other taxes of any nature whatsoever related to the ownership of Licensee's assets or Licensee's own programming efforts on the Stations;

(e) the costs of Licensee's own programming;

(f) lease payments, power and other utility bills and maintenance costs for the Stations' studio, transmission and tower facilities; and

(g) costs and expenses (including legal costs and filing fees) incurred in connection with the Stations' compliance with FCC rules and regulations.

Licensee shall make all necessary payments in a timely fashion from its own accounts, subject to reimbursement by Programmer as set forth on Exhibit A.

5. Licensee's Authority. Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Stations during the Term. Licensee shall be responsible for all programming it furnishes for broadcast on the Stations and for the payment of the salaries of all of its employees, all of whom shall report solely to and be accountable solely to the Licensee. Licensee shall retain the right to interrupt or preempt Programmer's programming at any time if Licensee determines the programming is not in the public interest or violates this Agreement, or in case of an emergency or Emergency Alert System ("EAS"), or any successor system's activation, or for the purpose of providing programming which Licensee in its sole discretion determines to be of greater national, regional or local importance; provided, however, that any revenues realized by Licensee as a result of such interruption or preemption shall promptly be remitted to Programmer. In the event Licensee shall interrupt or preempt Programmer's programming as described above, Programmer may also elect to reduce the monthly consideration due pursuant to Section 3 above on a prorated basis.

6. Advertising and Programming Revenues. Programmer shall retain all revenues from the sale of advertising time on the programming it broadcasts on the Stations on and after

the Effective Date until termination of this Agreement, and all accounts receivable of Licensee for time periods before the Effective Date shall be for the account of Licensee.

7. Political Advertising. Programmer shall cooperate and consult with Licensee concerning its policies and practices regarding political advertising and otherwise take such steps as may be necessary or appropriate in order to insure Licensee's compliance with its obligations under the Communications Act of 1934, as amended (the "Act") and the rules, regulations and policies of the FCC, with respect to the carriage of political advertisements and programs (including, without limitation, the rights of candidates and, as appropriate others, to "equal opportunities") and the charges permitted therefor.

8. Licensee's Representations, Warranties and Covenants. Licensee represents, warrants and covenants to Programmer that:

(a) Qualification. Licensee is legally qualified, empowered and able to enter into and carry out this Agreement, and this Agreement constitutes the valid and binding obligation of Licensee.

(b) Authorizations. Licensee holds all licenses, permits and authorizations necessary for the operation of the Stations including all FCC licenses, permits and authorizations. Licensee will continue to hold such licenses, permits and authorizations throughout the Term. Licensee is operating the Stations in accordance with the Act and the FCC's rules and policies.

(c) No Violation. Licensee is not in material violation of any statute, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operations or assets, which material default or violation would have an adverse effect on Licensee or its assets or on its ability to perform this Agreement.

(d) Compliance. Licensee shall be responsible for the Stations' compliance with all applicable provisions of the Act and the rules, regulations and policies of the FCC and all other applicable laws.

(e) Employees. Licensee shall retain, on a full time or part time basis, a General Manager who shall direct the day-to-day operation of the Stations, and a Chief Operator, as that term is defined by the rules and regulations of the FCC (who may also hold the position of Chief Engineer), who shall be responsible for insuring compliance by the Stations with the technical operating and reporting requirements established by the FCC.

(f) Main Studio. Licensee shall maintain a main studio, as that term is defined by the rules and regulations of the FCC. Licensee shall maintain a public inspection file at its main studio.

(g) Music Licenses. Licensee shall continue to maintain all necessary blanket licenses with the principal music licensing agencies, including, without limitation, ASCAP, BMI and SESAC, provided, however, that, to the extent that such agencies license Programmer pursuant to this LMA, Programmer shall obtain its own license to cover its Programs; Programmer will reimburse Licensee for all such fees attributable to Programmer's Programs.

9. Programmer's Representations, Warranties and Covenants. Programmer represents, warrants and covenants to Licensee that:

(a) Qualification. Programmer is legally qualified, empowered and able to enter into and carry out this Agreement, and this Agreement constitutes the valid and binding obligation of Programmer.

(b) FCC Compliance. All of the programming, advertising and promotional material Programmer broadcasts on the Stations shall be in accordance with the rules, regulations and policies of the FCC and the Act and the reasonable standards established by Licensee.

(c) Correspondence. Programmer shall promptly forward to Licensee any mail which it may receive from any agency of government or any correspondence from members of the public or other information it may receive relating to the Station or to any of Programmer's programming broadcast on the Stations.

(d) Station Identification Announcements/EAS Tests. During all hours when Programmer is delivering the Programming for broadcast over the Stations, Programmer shall (i) include in the Programming, at the appropriate times, the hourly station identification announcement required to be broadcast over the Stations. Additionally, during all hours when Programmer is delivering the Programming for broadcast over the Stations, if an EAS test or alert is received during such, Programmer shall cause the appropriate EAS test or alert message to be transmitted over the Stations, and shall, in the event of an actual activation of the Emergency Alert System, cause all steps that the Stations are required to take in such an event to be taken. Programmer shall insure that employees of Licensee are notified of any EAS alert or activation, and that the broadcast of all EAS tests and alerts are properly recorded in the station log.

(e) Sponsorship Identification. Programmer shall include in the Programming the sponsorship identification/political advertising announcements with respect advertising and other material included in the Programming as are required by Section 73.1212 of the Commission's rules and the Act.

10. Right to Use Programs. The right to use Programmer's programs and to authorize their use in any manner and in any media whatsoever shall be, and remain, vested in Programmer.

11. Indemnification.

(a) By Programmer. Programmer shall indemnify, defend, and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description, arising out of (i) the broadcast of the Programming under this Agreement; (ii) any misrepresentation or breach of any warranty of Programmer contained in this Agreement; and (iii) any breach of any covenant, agreement, or obligation of Programmer contained in this Agreement.

(b) By Licensee. Licensee shall indemnify, defend, and hold Programmer harmless from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description, arising out of (i) Licensee's broadcasts over the Stations; (ii) any misrepresentation or breach of any warranty of Licensee contained in this Agreement; and (iii) any breach of any covenant, agreement or obligation of Licensee contained in this Agreement.

(c) Notice. Neither Licensee nor Programmer shall be entitled to indemnification pursuant to this Section 11 unless such claim for indemnification is asserted in writing delivered to the other party, and, where such claim, loss, cost, liability, damage or defense involves a legal action, the party against whom indemnification is sought has been given written notice sufficiently in advance to permit such party to defend, contest, or compromise such action at its own cost and risk.

(d) Survival. The obligation of Programmer and Licensee to indemnify and hold each other harmless as set forth in this Agreement shall survive any termination of this Agreement and shall continue until the expiration of all applicable statutes of limitations as to the parties hereto and to claims of third parties.

12. Termination.

(a) Grounds. In addition to any other remedies available at law or equity, this Agreement may be terminated as set forth below by either Licensee or Programmer by written notice to the other, if the party seeking to terminate is not then in material default or breach of this Agreement, upon the occurrence of any of the following:

(i) The other party is in material breach of its obligations hereunder and has failed to cure such breach within ten (10) days of written notice from the non-breaching party; provided, however, that if the breach is one that cannot be cured with reasonable diligence within ten (10) days, but could be cured within an additional thirty (30) days and the breaching party is diligently attempting to cure the breach, then the nonbreaching party may not terminate this Agreement on account of such breach until such additional thirty (30) day period has elapsed without a cure.

(ii) The mutual consent of both parties, or the closing of the transactions contemplated by the Purchase Agreement, or termination of the Purchase Agreement according to its terms;

(iii) The other party shall make a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which if filed against such party, has not been dismissed within sixty (60) days thereof;

(iv) This Agreement is declared invalid or illegal in whole or material part by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction and such order or decree has become final and no longer subject to further administrative or judicial review;

(v) There has been a change in FCC rules, policies or case law precedent that would cause this Agreement or any provision thereof to be in violation thereof and such change is not the subject of an appeal or further administrative review.

(b) Effect of Termination. Upon termination of this Agreement according to the provisions of this Section 12, the consideration provided for hereunder shall be prorated to the effective termination date of this Agreement. Licensee shall cooperate reasonably with the Programmer to the extent permitted to enable Programmer to fulfill advertising or other programming contracts then outstanding, in which event Licensee shall receive as compensation for the carriage of such programming that which otherwise would have been paid to Programmer hereunder.

13. No Release of Liability Through Termination. No termination pursuant to Section 12 shall relieve any party of liability it would otherwise incur for breach of this Agreement.

14. Notices. All necessary notices, demands and requests permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery, or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Programmer:

James V. Johnson  
P.O. Box 233  
434 Bedbug Hill Road  
Fly Creek, NY 13337  
Tel: (607)282-0108

Fax:

with a copy which shall not constitute notice to:

James A. Koerner, Esq.  
Koerner & Olender, P.C.  
11913 Grey Hollow Court  
North Bethesda, MD 20852  
Tel: (301) 468-3336  
Fax: (301) 468-3343

If to Licensee:

Buckley Broadcasting of New York, LLC  
166 West Putnam Avenue  
Greenwich, CT 06830  
Attention: Rick Buckley  
Tel: 203-661-4307  
Fax: 203-622-7341

with a copy which shall not constitute notice to:

David D. Oxenford, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Avenue, N.W.  
Suite 200  
Washington, DC 20006  
Tel: (202) 973-4256  
Fax: (202) 973-4499

15. Modification And Waiver. No modification of any provision of this Agreement shall in any event be effective unless the same shall be in writing and then such modification shall be effective only in the specific instance and for the purpose for which given.

16. Governing Law; Jurisdiction and Venue . This Agreement shall be construed in accordance with the internal laws of the State of New York without giving effect to the choice of law principles thereof. Exclusive jurisdiction and venue for any action arising from this Agreement shall be the courts of the State of New York or the Federal District Court, in each case sitting in New York County, New York, and each party hereto knowingly and voluntarily submits to such jurisdiction and venue as being reasonable and not constituting a *forum nonconviens* for such party.

17. Headings. The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

18. Counterpart Signature. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart.

20. Entire Agreement. This Agreement supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

21. No Partnership Or Joint Venture Created. Nothing in this Agreement shall be construed to make Licensee and Programmer partners or joint venturers or to afford any rights to any third party other than as expressly provided herein.

22. Assignment. Neither Programmer nor Licensee may assign this Agreement without the prior written approval of the other party, not to be unreasonably withheld, provided, that Licensee may make a collateral assignment of this Agreement to its senior lender, but further provided, any such assignment shall not discharge any liability of Licensee hereunder.

23 Certifications.

(a) Licensee's Certification. Licensee hereby certifies that it shall maintain ultimate control over the Stations' facilities and operations, including specifically control over the Stations' finances, personnel and programming, throughout the term of this Agreement.

(b) Programmer's Certification. Programmer hereby certifies that it complies with the provisions of paragraph (a)(1) of Section 73.3555 of the FCC's rules under this Agreement.

24. Trademarks. Licensee hereby grants Programmer a license solely in connection with its broadcasts on the Stations or related promotions to use any and all call signs, trademarks, service marks, patents, trade names, jingles, slogans, logotypes and other intangible rights owned and used or held for use by Licensee in conjunction with the Stations during the term of this Agreement.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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

**PROGRAMMER:**

**LEATHERSTOCKING MEDIA GROUP, INC.**

By:   
Name: JAMES V. JOHNSON  
Title: President

**LICENSEE:**

**BUCKLEY BROADCASTING OF NEW YORK, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

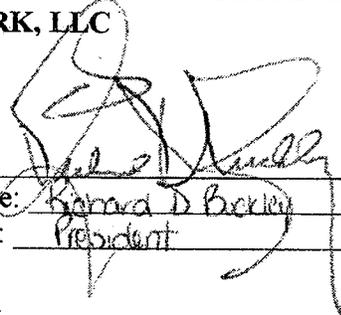
**PROGRAMMER:**

**LEATHERSTOCKING MEDIA GROUP, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LICENSEE:**

**BUCKLEY BROADCASTING OF NEW YORK, LLC**

By:  \_\_\_\_\_  
Name: Bernard D. Buckley  
Title: President

## SCHEDULE A

During the Term of this Agreement, Programmer shall pay to Licensee, as consideration for the air time made available pursuant to the Agreement, the monthly sum of \$10.00, plus reimbursement of Licensee's operating expenses as defined below.

For purposes of this Agreement, Operating Expenses shall include the following:

1. Studio utilities,
2. Transmitter site and tower utilities; transmission system operations, maintenance, repairs and replacements;
3. The salaries, commissions, payroll taxes, insurance, bonuses and related costs for the employees employed by Licensee for purposes of compliance with the Act and the FCC Rules;
4. Music licensing fees applicable to the Programs (if not paid directly by Programmer);
5. Insurance premiums for (a) property and casualty insurance for the tower, the studio and the Stations' transmitting equipment) and (b) general liability insurance.
6. A prorated portion of the Stations' annual FCC regulatory fees, and Stations' compliance with FCC rules and regulations, except for filings and matters in the ordinary course that are required of all FCC licensees, and the cost of filing the assignment application..

A monthly payment in the amount of \$5000 per month shall be paid by Programmer to Licensee on the first day of every month during the term hereof (the "Monthly Payment") to be applied against reimbursement of Operating Expenses. The Monthly Payment shall be reconciled to actual Operating Expenses on a monthly basis, with appropriate adjustments made to "true up" actual Operating Expenses versus the Monthly Payment made in advance by Programmer. Such "true up" adjustments shall occur within fifteen (15) days of the end of each month for the prior month, and a final "true up" adjustment shall be made on the Closing Date of the transaction contemplated by the Purchase Agreement, or if no Closing occurs, within thirty (30) days after the termination of this Agreement.