

## EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (the "Agreement") is made and entered into as of September 22, 2009 (the "Effective Date"), by and among Curtis Media Group, Inc., a North Carolina corporation ("Curtis Media"), Triangle Broadcast Associates, LLC, a North Carolina limited liability company ("Triangle Broadcast"), WDNC, Inc., a North Carolina corporation ("WDNC Inc."), Curtis Network Group, LLC, a North Carolina limited liability company ("Curtis Network", collectively with Curtis Media, Triangle Broadcast and WDNC Inc., the "Curtis Parties"), WRBZ, LLC, a North Carolina limited liability company ("WRBZ LLC") and Capitol Broadcasting Company, Incorporated, a North Carolina corporation ("Capitol"), WRAL-FM, Inc., a North Carolina corporation ("WRAL-FM"), Capitol Radio Network, Inc., a North Carolina corporation ("CRN"), WCLY-AM, LLC, a North Carolina limited liability company ("WCLY LLC"), and WDNC-AM, LLC, a North Carolina limited liability company ("WDNC LLC", collectively with Capitol, WRAL-FM, CRN, WCLY LLC, the "Capitol Parties"). Curtis Media, Curtis Network, Triangle Broadcast, WDNC Inc., WRBZ LLC, Capitol, WRAL-FM, CRN, WCLY LLC and WDNC LLC are each referred to herein as a "Party" and collectively as the "Parties").

### RECITALS:

WHEREAS, contemporaneously herewith Curtis Network has purchased the WRBZ IP Assets (as defined in Section 1.1(a)) and assumed certain liabilities related to such assets of radio station **WRBZ(AM)**, Raleigh, North Carolina (FCC Facility ID Number 888) ("WRBZ") from WRBZ LLC pursuant to an Asset Purchase Agreement, Bill of Sale and Assumption Agreement dated as of the date hereof;

WHEREAS, Triangle Broadcast is the licensee and operator of radio station **WCLY(AM)**, Raleigh, North Carolina (FCC Facility ID Number 51262) ("WCLY"), holding valid authorizations for the operation thereof from the Federal Communications Commission (the "FCC" or the "Commission"), and Triangle Broadcast owns, leases, licenses or has the contractual right to all of the tangible and intangible personal property used or useful in connection with the operation of WCLY;

WHEREAS, WDNC Inc. is the licensee and operator of radio station **WDNC(AM)**, Durham, North Carolina (FCC Facility ID Number 17762) ("WDNC"), holding valid authorizations for the operation thereof from the FCC, and WDNC Inc. owns, leases, licenses or has the contractual right to all of the tangible and intangible personal property used or useful in connection with the operation of WDNC;

WHEREAS, WRAL-FM and CRN own the assets comprising the North Carolina News Network ("NCNN") and WRAL-FM holds an original FCC construction permit for unbuilt FM Translator station W254AS, Louisburg, North Carolina (FCC Facility ID Number 143226) (the "FM Translator");

WHEREAS, contemporaneously herewith WRBZ LLC, Triangle Broadcast, WDNC Inc. and WWMY, LLC have entered into an Exchange Agreement (the "WRBZ Exchange Agreement") pursuant to which WRBZ LLC has agreed to transfer its interest in the assets of WRBZ LLC other than the WRBZ IP Assets (as defined in Section 1.1(a)) to WWMY, LLC, and

WWMY LLC, Triangle Broadcast and WDNC Inc. have agreed to transfer their respective interests in the assets comprising radio station **WWMY(FM)**, the WCLY Assets (as defined in Section 1.3(a)) and WDNC Assets (as defined in Section 1.4(a)) to WRBZ LLC, subject to the terms and conditions of such WRBZ Exchange Agreement;

WHEREAS, Curtis Network and WRBZ LLC wish to transfer their respective interests in the WRBZ IP Assets (as defined in Section 1.1(a)), the WCLY Assets (as defined in Section 1.3(a)) and WDNC Assets (as defined in Section 1.4(a)) to the Capitol Parties in exchange for the NC News Network Assets (as defined in Section 1.2(a)), NCNN FCC Authorizations (as defined in Section 1.6(a)) and the FM Translator Assets (as defined in Section 1.5(a)), subject to and in accordance with the terms and conditions of this Agreement;

WHEREAS, the Capitol Parties wish to transfer the NC News Network Assets, NCNN FCC Authorizations and the FM Translator Assets to Curtis Network and WRBZ LLC in exchange for the WRBZ IP Assets, the WCLY Assets and the WDNC Assets, subject to and in accordance with the terms and conditions of this Agreement;

WHEREAS, in connection with such exchanges, certain of the Parties will agree to assume certain liabilities related to the assets acquired by such Parties, subject to and in accordance with the terms and conditions of this Agreement;

WHEREAS, the transfer of the WRBZ IP Assets to WRAL-FM and the transfer of the NC News Network Assets to Curtis Network will occur contemporaneously with the execution of this Agreement;

WHEREAS, the consent of the FCC is required prior to the transfers of the WCLY Assets, the WDNC Assets, the NCNN FCC Authorizations and FM Translator Assets; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the parties agree as follows:

## **SECTION 1: EXCHANGE OF ASSETS**

### **1.1 Transfer of WRBZ IP Assets and Assumption of Liabilities.**

(a) Curtis Network hereby conveys, assigns and transfers to WRAL-FM and WRAL-FM hereby assumes and acquires from Curtis Network all of Curtis Network's right, title and interest in and to the following assets used or held for use in the operation of WRBZ (the "WRBZ IP Assets"), free and clear of all liens, deeds of trust, security interests, pledges and encumbrances of any kind or type whatsoever (collectively, "Liens"), except as specifically provided herein:

(i) Subject to Section 13.15 below, all trade names, logos, trademarks, service marks, patents, copyrights, programs, programming materials, slogans, jingles, the call letters "WRBZ", "WRBZ-AM," and "WRBZ(AM)" (collectively, the "WRBZ Call Letters", and subject to Section 13.15 below), including common law rights thereto, and all other intellectual property acquired as of the Effective Date by Curtis Network from WRBZ, LLC used or held for use in connection with operating WRBZ, including, but not limited to, those set forth on

Schedule 1.1(a)(i)(A) attached hereto and incorporated herein by reference, and any and all registrations, pending registrations, and applications for registration of any trade name, logo, trademark, or service mark under federal or state law (collectively, the “WRBZ Intellectual Property”), provided, however, that the WRBZ Intellectual Property and WRBZ IP Assets shall not include those assets set forth on Schedule 1.1(a)(i)(B) hereto.

(ii) The contracts, commitments, agreements, leases, licenses, understanding and obligations, including, but not limited to, programming agreements and advertising agreements, used or held for use in connection with operating WRBZ and identified on Schedule 1.1(a)(ii) as “WRBZ(WDNC) Agreements to be Assumed by WRAL-FM” (collectively, the “WRBZ Agreements”), and the list of advertisers attached to Schedule 1.1(a)(ii).

(iii) All Internet Domain leases and Domain names relating to WRBZ as of the Effective Date, including, but not limited to, those set forth on Schedule 1.1(a)(iii), the unrestricted right to the use of HTML content located and publicly accessible from those Domain names, and any “visitor” email databases for those sites (collectively, the “WRBZ Internet Items”).

(b) The assets the subject of the WRBZ Exchange Agreement shall be excluded from the WRBZ IP Assets hereunder. All assets of Curtis Network other than those set forth in Section 1.1(a) of this Agreement shall be excluded from the WRBZ IP Assets, including, without limitation, the name “Curtis Network” or “Curtis” as used on or in any intangible assets.

(c) WRAL-FM hereby assumes responsibility for all obligations of Curtis Network under the WRBZ Agreements that arise from and after the Effective Date and that relate solely to the operation of WRBZ from and after the Effective Date (collectively, the “WRBZ IP Assumed Liabilities”). Any obligations under such agreements that relate to the operation of WRBZ prior to the Effective Date (regardless of whether they arise from and after the Effective Date) are not assumed by WRAL-FM.

(d) During the term of the WRBZ TBA and WDNC TBA (each as defined in Section 13.14), as applicable, WRAL-FM agrees to run any and all advertisements in the ordinary course of the operations of WRBZ required pursuant to those contracts, commitments, agreements, leases, licenses, understanding and obligations identified on Schedule 1.1(a)(ii) as “WRBZ(WDNC) Make Good Obligations to be Assumed by WRAL-FM”; provided that WRAL-FM shall not be required to carry the programming required by such contracts. In connection therewith, WRAL-FM hereby acknowledges and agrees to the “Programming Contract Requirements” for such contracts on Schedule 1.1(a)(ii).

(e) During the term of the WRBZ TBA and WDNC TBA, as applicable, WRAL-FM agrees to provide assistance to WRBZ LLC, as requested by WRBZ, LLC, to terminate those contracts, commitments, agreements, leases, licenses, understanding and obligations identified on Schedule 1.1(a)(ii) as “WRBZ(WDNC) Agreements WRAL-FM will assist WRBZ to Cancel during TBA”; provided that WRAL-FM does not and shall not be deemed to assume such contracts.

(f) During the term of the WRBZ TBA and WDNC TBA, as applicable, WRAL-FM agrees to perform on a timely basis any and all obligations of WRBZ LLC under those contracts, commitments, agreements, leases, licenses, understanding and obligations identified on Schedule 1.1(a)(ii) as "WRBZ(WDNC) Agreements WRAL-FM will Fully Perform during TBA". In connection therewith, WRAL-FM hereby acknowledges and agrees to the Programming Contract Requirements for such contracts on Schedule 1.1(a)(ii).

## **1.2 Transfer of NC News Network Assets and Assumption of Liabilities.**

(a) Each of WRAL-FM, CRN and Capitol hereby conveys, assigns and transfers to Curtis Network and Curtis Network hereby assumes and acquires from WRAL-FM, CRN and Capitol all of WRAL-FM's, CRN's and Capitol's right, title and interest in and to the following assets used or held for use in the operation of NCNN (the "NC News Network Assets"), free and clear of all Liens, except as specifically provided herein:

(i) All tangible personal property and physical assets, wherever located, used or useful primarily in connection with the business and operation of NCNN, including, without limitation, all machinery, equipment, computers, furniture and furnishings as set forth on Schedule 1.2(a)(i) hereto (collectively, the "NCNN Tangible Assets");

(ii) All licenses, approvals, certificates, permits and other authorizations, issued by the Federal Aviation Administration, or any other any federal, state, or local governmental authorities to WRAL-FM primarily in connection with the conduct of the business and operation of NCNN (other than with respect to the real estate and towers for NCNN), but specifically excluding the NCNN FCC Authorizations (as defined in Section 1.6 below), and all rights therein and applications for any of the foregoing (collectively, the "NCNN Permits");

(iii) All books and records, whether in hard copy or computer format, relating primarily to the business or operation of NCNN, including, without limitation, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present suppliers and lists of present customers; provided that WRAL-FM may retain copies thereof (collectively, the "NCNN Books and Records");

(iv) All of WRAL-FM's, CRN's and Capitol's rights in and to all copyrights, programming material, logos, trademarks, service marks, trade names, current slogans, jingles, Internet domain names, website addresses, the content of such websites accessible by the public and "visitor" email databases in connection with such sites, computer programs to the extent owned by WRAL-FM, CRN or Capitol including non-governmental licenses, intellectual property, all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets, related primarily to NCNN and all licenses and rights in relation thereto, including common law rights thereto, and other intangible property rights owned by, or licensed or franchised to, WRAL-FM, CRN or Capitol and used primarily by NCNN, including, without limitation, those set forth on Schedule 1.2(a)(iv) hereto (collectively, the "NCNN Intangible Assets");

(v) All of WRAL-FM's rights and interests to the use of the name "NC News Network" and similar derivations as part of a tradename;

(vi) The following contracts, commitments, agreements, leases, licenses, understandings and obligations, whether written or oral, entered into primarily in connection with the business and operation of NCNN and to which WRAL-FM, CRN or Capitol is party or by which WRAL-FM, CRN or Capitol is bound or affected as of the Effective Date being herein collectively referred to as the "NCNN Contracts":

(A) All barter advertising contracts and all agreements for the sale of advertising time on NCNN for cash, billed at rates consistent with WRAL-FM's past practices (along with a list of all advertisers) including, without limitation, those set forth on Schedule 1.2(a)(vi)(A); and

(B) All programming contracts including, without limitation, those set forth on listed on Schedule 1.2(a)(vi)(B) hereto;

(vii) All of WRAL-FM's rights, claims, credits, causes of action or rights of set-off against third parties relating to the other NC News Network Assets, including unliquidated rights under manufacturers' and vendors' warranties; and

(viii) All keys, passcards, and other similar items necessary to access or operate any of the other NC News Network Assets.

(b) There shall, however, be excluded from such conveyance and transfer the following property (the "NC News Network Excluded Property"):

(i) All of WRAL-FM's right, title and interest in and to any real property and interests in real property, whether or not used by WRAL-FM in connection with the business and operation of the NC News Network;

(ii) All of NCNN's cash and barter accounts receivable, notes receivable, prepayments (such as deposits on leasehold interests and utilities, prepaid taxes and insurance premiums), cash, and cash equivalents, including, but not limited to, tax deposits, marketable securities, money market instruments, unprocessed checks, savings and other deposits and certificates of deposit, on hand or in accounts as of the Effective Date;

(iii) WRAL-FM's and CRN's corporate records, including minutes of meetings of directors and shareholders, and such other records relating exclusively with WRAL-FM's or CRN's organization or capitalization;

(iv) Any insurance policies and contracts of insurance, and proceeds therefrom;

(v) Any assets of any pension, profit sharing, or employee benefit plans, including WRAL-FM's and CRN's interest in any welfare plan, pension plan, or benefit arrangement;

(vi) All tax returns and supporting materials, all original financial statements and supporting materials, all books and records that WRAL-FM and CRN are required by law to retain, all records of WRAL-FM and CRN relating to the sale of the NC News Network Assets, and duplicate copies of the books and records necessary to enable WRAL-FM and CRN to file their tax returns and reports;

(vii) Any interest in and to any refunds or overpayments of federal, state or local franchise, income, or other taxes for all periods prior to the Effective Date;

(viii) Other than the NCNN Contracts, any contract, lease, or agreement;

(ix) the name "Capitol Broadcasting" or "Capitol" or "WRAL-FM" or "Capitol Radio" as used on or in any intangible assets;

(x) any of the rights of WRAL-FM or CRN under this Agreement and the other agreements, certificates and documents delivered in connection herewith;

(xi) All assets of WRAL-FM and CRN primarily used or held for use in the business or operation of any radio station or business other than NCNN; and

(xii) All assets of NCNN set forth on Schedule 1.2(b)(xiii).

(c) Curtis Network hereby assumes (i) responsibility for all obligations of WRAL-FM under those NCNN Contracts set forth on Schedule 1.2(c) (that arise from and after the Effective Date and that relate solely to the operation of NCNN from and after the Effective Date and (ii) all other liabilities, obligations and commitments arising from and relating solely to the operation or business of NCNN or the NC News Network Assets on or after the Effective Date (collectively, the "NC News Network Assumed Liabilities"). Except for the NC News Network Assumed Liabilities, Curtis Network does not hereby, and shall not have any obligation to, assume responsibility for any liability or obligation of WRAL-FM, including, without limitation, any liability and responsibility for "COBRA" healthcare continuation coverage required to be offered and provided under Section 4980B of the Code and Sections 601-608 of ERISA to employees and former employees of WRAL-FM and any other COBRA qualified beneficiaries under WRAL-FM's health plan(s) who have elected or are eligible to elect COBRA continuation coverage as of or prior to the Effective Date or who incur a COBRA qualifying event in connection with the transactions contemplated by this Agreement.

### **1.3 Transfer of WCLY Assets and Assumption of Liabilities.**

(a) Subject to the provisions of this Agreement and subject to the consummation of the transactions contemplated by the WRBZ Exchange Agreement, WRBZ LLC agrees to convey, transfer, assign and deliver to WCLY LLC, and WCLY LLC agrees to acquire and

accept from WRBZ LLC, on the Second Closing Date (as defined in Section 1.8 hereof), free and clear of all Liens, other than Permitted Liens (as defined in Section 3.3 hereof), all right, title and interest of WRBZ LLC in and to the following assets, and any replacements of or additions to such assets made between the Effective Date and the Second Closing, but excluding the WCLY Excluded Property (as defined in Section 1.3(b)) (collectively, the "WCLY Assets");

(i) All tangible personal property and physical assets, wherever located, used or useful primarily in connection with the business and operation of WCLY, including, without limitation, all machinery, equipment, computers, furniture and furnishings as set forth on Schedule 1.3(a)(i) hereto (collectively, the "WCLY Tangible Assets");

(ii) All licenses, approvals, certificates, permits, antenna structure registrations and other authorizations, including renewals or modifications thereof between the Effective Date and Second Closing, issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to WRBZ LLC primarily in connection with the conduct of the business and operation of WCLY (other than with respect to the real estate and towers for WCLY), and all rights therein and applications for any of the foregoing, as set forth on Schedule 1.3(a)(ii) hereto (collectively, the "WCLY Licenses");

(iii) All books and records, whether in hard copy or computer format, relating primarily to the business or operation of WCLY, including, without limitation, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present suppliers, lists of present customers, filings with the FCC, and all records required by the FCC to be kept by WCLY; provided that Triangle Broadcast may retain copies thereof (collectively, the "WCLY Books and Records");

(iv) All of WRBZ LLC's rights in and to all copyrights, programming material, logos, trademarks, service marks, trade names, current slogans, jingles, Internet domain names, website addresses, the content of such websites accessible by the public and "visitor" email databases in connection with such sites, computer programs to the extent owned by WRBZ LLC, including non-governmental licenses, intellectual property, all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets, related primarily to WCLY and all licenses and rights in relation thereto, including common law rights thereto, and other intangible property rights owned by, or licensed or franchised to, WRBZ LLC and used primarily by WCLY, including, without limitation, those set forth on Schedule 1.3(a)(iv) hereto (collectively, the "WCLY Intangible Assets");

(v) All of WRBZ LLC's rights and interests to the use of the call letters of WCLY as call letters or as part of a tradename (collectively, the "WCLY Call Letters");

(vi) All of WRBZ LLC's rights, claims, credits, causes of action or rights of set-off against third parties relating to the other WCLY Assets, including unliquidated rights under manufacturers' and vendors' warranties, in each case only to the extent Capitol incurs any losses relating thereto; and

(vii) All keys, passcards, and other similar items necessary to access or operate any of the other WCLY Assets.

(b) There shall, however, be excluded from such conveyance and transfer the following property (the “WCLY Excluded Property”):

(i) All of WRBZ LLC’s right, title and interest in and to any real property and interests in real property, whether or not used by WCLY in connection with the business and operation of the WCLY Assets, including, without limitation, the real property described in Schedule 1.3(b)(i) hereto, including fee estates, leaseholds, easements, licenses, rights to access, and all buildings, towers, fixtures, and other improvements thereon (collectively, the “WCLY Real Estate”);

(ii) All of WCLY’s cash and barter accounts receivable (subject to the WCLY TBA defined in Section 13.14 hereof), notes receivable, prepayments (such as deposits on leasehold interests and utilities, prepaid taxes and insurance premiums), cash, and cash equivalents, including, but not limited to, tax deposits, marketable securities, money market instruments, unprocessed checks, savings and other deposits and certificates of deposit, on hand or in accounts as of the Second Closing Date;

(iii) WRBZ LLC’s corporate records, including minutes of meetings of directors and shareholders, and such other records relating exclusively with WRBZ LLC’s organization or capitalization;

(iv) Any insurance policies and contracts of insurance, and proceeds therefrom, except as provided for in Section 13.4;

(v) Any assets of any pension, profit sharing, or employee benefit plans, including WRBZ LLC’s interest in any welfare plan, pension plan, or benefit arrangement;

(vi) All tax returns and supporting materials, all original financial statements and supporting materials, all books and records that WRBZ LLC is required by law to retain, all records of WRBZ LLC relating to the sale of the WCLY Assets, and duplicate copies of the books and records necessary to enable WRBZ LLC to file its tax returns and reports;

(vii) Any interest in and to any refunds or overpayments of federal, state or local franchise, income, or other taxes for all periods prior to the Second Closing Date;

(viii) Any contract, lease, or agreement;

(ix) all tangible and intangible personal property within the WCLY Assets disposed of or consumed in the ordinary course of business consistent with the past practices of Triangle Broadcast or WRBZ LLC, as the case may be, and the terms and conditions of this Agreement, between the Effective Date and the Second Closing Date;



(x) the name “Curtis Media” or “Curtis” or “Triangle Broadcast” as used on or in any intangible assets;

(xi) any of the rights of WRBZ LLC under this Agreement and the other agreements, certificates and documents delivered in connection herewith; and

(xii) All assets of WRBZ LLC primarily used or held for use in the business or operation of any radio station other than WCLY.

(c) Effective as of 12:01:01 am on the Second Closing Date (the “Effective Time”), WCLY LLC shall assume (i) all of WRBZ LLC’s obligations and liabilities, whether accrued or unaccrued, absolute or contingent, known or unknown, under the WCLY Licenses to the extent that such liabilities or obligations of WRBZ LLC pertain to the period of time commencing on or after the Effective Time, and (ii) all other liabilities, obligations and commitments arising from and relating solely to the operation or business of WCLY or the ownership of the WCLY Assets on or after the Effective Time (collectively, the “WCLY Assumed Liabilities”). Except for the WCLY Assumed Liabilities, WCLY LLC does not hereby, and shall not have any obligation to, assume responsibility for any liability or obligation of WRBZ LLC, including, without limitation, any liability and responsibility for “COBRA” healthcare continuation coverage required to be offered and provided under Section 4980B of the Code and Sections 601-608 of ERISA to employees and former employees of WRBZ LLC and any other COBRA qualified beneficiaries under WRBZ LLC’s health plan(s) who have elected or are eligible to elect COBRA continuation coverage as of or prior to the Second Closing Date or who incur a COBRA qualifying event in connection with the transactions contemplated by this Agreement.

#### **1.4 Transfer of WDNC Assets and Assumption of Liabilities.**

(a) Subject to the provisions of this Agreement and subject to the consummation of the transactions contemplated by the WRBZ Exchange Agreement, WRBZ LLC agrees to convey, transfer, assign and deliver to WDNC LLC, and WDNC LLC agrees to acquire and accept from WRBZ LLC, on the Second Closing Date, free and clear of all Liens, other than Permitted Liens, all right, title and interest of WRBZ LLC in and to the following assets, and any replacements of or additions to such assets made between the Effective Date and the Second Closing, but excluding the WDNC Excluded Property (as defined in Section 1.4(b)) (collectively, the “WDNC Assets”):

(i) All tangible personal property and physical assets, wherever located, used or useful primarily in connection with the business and operation of WDNC, including, without limitation, all machinery, equipment, computers, furniture and furnishings as set forth on Schedule 1.4(a)(i) hereto (collectively, the “WDNC Tangible Assets”);

(ii) All licenses, approvals, certificates, permits, antenna structure registrations and other authorizations, including renewals or modifications thereof between the Effective Date and Second Closing, issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local governmental authorities to WRBZ LLC primarily in connection with the conduct of the business and operation of WDNC (other than with respect to the real

estate and towers for WDNC), and all rights therein and applications for any of the foregoing, as set forth on Schedule 1.4(a)(ii) hereto (collectively, the “WDNC Licenses”);

(iii) All books and records, whether in hard copy or computer format, relating primarily to the business or operation of WDNC, including, without limitation, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, lists of present suppliers, lists of present customers, filings with the FCC, and all records required by the FCC to be kept by WDNC; provided that WDNC Inc. may retain copies thereof (collectively, the “WDNC Books and Records”);

(iv) All of WRBZ LLC’s rights in and to all copyrights, programming material, logos, trademarks, service marks, trade names, current slogans, jingles, Internet domain names, website addresses, the use of content of such websites accessible by the public and “visitor” email databases in connection with such sites, computer programs to the extent owned by WRBZ LLC, including non-governmental licenses, intellectual property, all management and other systems (including computers and peripheral equipment), databases, computer software, computer disks and similar assets, related primarily to WDNC and all licenses and rights in relation thereto, including common law rights thereto, and other intangible property rights owned by, or licensed or franchised to, WRBZ LLC and used primarily by WDNC including, without limitation, those set forth on Schedule 1.4(a)(iv) hereto (collectively, the “WDNC Intangible Assets”);

(v) All of WRBZ LLC’s rights and interests to the use of the call letters of WDNC as call letters or as part of a tradename (collectively, the “WDNC Call Letters”);

(vi) The contracts, commitments, agreements, leases, licenses, understanding and obligations, including, but not limited to, programming agreements and advertising agreements, used or held for use in connection with operating WDNC and identified on Schedule 1.1(a)(ii) as “WRBZ(WDNC) Agreements to be Assumed by WRAL-FM”, and such other contracts existing on the Second Closing Date and entered into by WRBZ LLC for WDNC with persons or entities between the Effective Date and the Second Closing Date, subject to Capitol’s written consent (collectively, the “WDNC Agreements”), and the list of advertisers attached to Schedule 1.1(a)(ii);

(vii) All of WRBZ LLC 's rights, claims, credits, causes of action or rights of set-off against third parties relating to the other WDNC Assets, including unliquidated rights under manufacturers’ and vendors’ warranties, in each case only to the extent Capitol incurs any losses relating thereto; and

(viii) All keys, passcards, and other similar items necessary to access or operate any of the other WDNC Assets.

(b) There shall, however, be excluded from such conveyance and transfer the following property (the “WDNC Excluded Property”):

(i) All of WRBZ LLC's right, title and interest in and to any real property and interests in real property, whether or not used by WDNC in connection with the business and operation of the WDNC Assets, including, without limitation, the real property described in Schedule 1.4(b)(i) hereto, including fee estates, leaseholds, easements, licenses, rights to access, and all buildings, towers, fixtures, and other improvements thereon (collectively, the "WDNC Real Estate");

(ii) All of WDNC's cash and barter accounts receivable (subject to the WDNC TBA defined in Section 13.14 hereof), notes receivable, prepayments (such as deposits on leasehold interests and utilities, prepaid taxes and insurance premiums), cash, and cash equivalents, including, but not limited to, tax deposits, marketable securities, money market instruments, unprocessed checks, savings and other deposits and certificates of deposit, on hand or in accounts as of the Second Closing Date;

(iii) WRBZ LLC's corporate records, including minutes of meetings of directors and shareholders, and such other records relating exclusively with WRBZ LLC's organization or capitalization;

(iv) Any insurance policies and contracts of insurance, and proceeds therefrom, except as provided for in Section 13.4;

(v) Any assets of any pension, profit sharing, or employee benefit plans, including WRBZ LLC's interest in any welfare plan, pension plan, or benefit arrangement;

(vi) All tax returns and supporting materials, all original financial statements and supporting materials, all books and records that WRBZ LLC is required by law to retain, all records of WRBZ LLC relating to the sale of the WDNC Assets, and duplicate copies of the books and records necessary to enable WRBZ LLC to file its tax returns and reports;

(vii) Any interest in and to any refunds or overpayments of federal, state or local franchise, income, or other taxes for all periods prior to the Second Closing Date;

(viii) Other than the WDNC Agreements, any contract, lease, or agreement, including, without limitation, the Landmark Center Office Lease and the Adelphi Tower Lease;

(ix) all tangible and intangible personal property within the WDNC Assets disposed of or consumed in the ordinary course of business consistent with the past practices of WDNC Inc. or WRBZ LLC, as the case may be, and the terms and conditions of this Agreement, between the Effective Date and the Second Closing Date;

(x) the name "Curtis Media" or "Curtis" as used on or in any intangible assets;

(xi) any of the rights of WRBZ LLC under this Agreement and the other agreements, certificates and documents delivered in connection herewith;

(xii) All assets of WRBZ LLC primarily used or held for use in the business or operation of any radio station other than WDNC; and

(xiii) Any WDNC Agreement that (i) requires a Third Party Consent to be assigned to or assumed by Capitol which consent is not obtained or (ii) is terminated prior to the Second Closing Date.

(c) Effective as of the Effective Time, WDNC LLC shall assume (i) all of WRBZ LLC's obligations and liabilities, whether accrued or unaccrued, absolute or contingent, known or unknown, under the WDNC Licenses and WDNC Agreements to the extent that such liabilities or obligations of WRBZ LLC pertain to the period of time commencing on or after the Effective Time, and (ii) all other liabilities, obligations and commitments arising from and relating solely to the operation or business of WDNC or the ownership of the WDNC Assets on or after the Effective Time (collectively, the "WDNC Assumed Liabilities"). Except for the WDNC Assumed Liabilities, Capitol does not hereby, and shall not have any obligation to, assume responsibility for any liability or obligation of WRBZ LLC, including, without limitation, any liability and responsibility for "COBRA" healthcare continuation coverage required to be offered and provided under Section 4980B of the Code and Sections 601-608 of ERISA to employees and former employees of WRBZ LLC and any other COBRA qualified beneficiaries under WRBZ LLC's health plan(s) who have elected or are eligible to elect COBRA continuation coverage as of or prior to the Second Closing Date or who incur a COBRA qualifying event in connection with the transactions contemplated by this Agreement.

#### **1.5 Transfer of FM Translator and Assumption of Liabilities.**

(a) Subject to the provisions of this Agreement, WRAL-FM agrees to convey, transfer, assign and deliver to WRBZ LLC, and WRBZ LLC agrees to acquire and accept from WRAL-FM, on the Second Closing Date (as defined in Section 1.8 hereof), free and clear of all Liens, other than Permitted Liens, all right, title and interest of WRAL-FM in and to the following assets, and any replacements of or additions to such assets made between the Effective Date and the Second Closing, but excluding the FM Translator Excluded Property (as defined in Section 1.5(b)) (collectively, the "FM Translator Assets");

(i) The FCC construction permit for the FM Translator, including any modifications thereof between the Effective Date and the Second Closing, and all rights therein and applications for any of the foregoing, as set forth on Schedule 1.5(a)(i) hereto (the "FM Translator Authorization");

(ii) All books and records, whether in hard copy or computer format, relating primarily to the FM Translator, including, without limitation, engineering information, manuals and data, filings with the FCC, and all records required by the FCC to be kept by WRAL-FM with respect to the FM Translator; provided that WRAL-FM may retain copies thereof (collectively, the "FM Translator Books and Records"); and

(iii) All of WRAL-FM's rights in and to the call sign W254AS and other intangible property rights owned by, or licensed or franchised to, WRAL-FM and used primarily by the FM Translator (collectively, the "FM Translator Intangible Assets").

(b) The Parties acknowledge that there are no assets other than those identified in Section 1.5(a) above associated with the FM Translator.

(c) Effective as of the Effective Time, WRBZ LLC shall assume all of WRAL-FM's obligations and liabilities, whether accrued or unaccrued, absolute or contingent, known or unknown, under the FM Translator Authorization to the extent that such liabilities or obligations of WRAL-FM pertain to the period of time commencing on or after the Effective Time (collectively, the "FM Translator Assumed Liabilities"). Except for the FM Translator Assumed Liabilities, WRBZ LLC does not hereby, and shall not have any obligation to, assume responsibility for any liability or obligation of WRAL-FM.

(d) The Parties acknowledge that the FM Translator is an unbuilt construction permit which expires February 4, 2011, and that WRAL-FM is under no obligation to complete construction of the facilities authorized in the construction permit.

#### **1.6 Transfer of NCNN FCC Authorizations.**

(a) Subject to the provisions of this Agreement, CRN agrees to convey, transfer, assign and deliver to Curtis Network, and Curtis Network agrees to acquire and accept from CRN, on the Second Closing Date (as defined in Section 1.8 hereof), free and clear of all Liens, other than Permitted Liens (as defined in Section 3.3 hereof), all right, title and interest of CRN in and to all licenses, approvals, certificates, permits and other authorizations, issued by the FCC to CRN primarily in connection with the conduct of the business and operation of NCNN (other than with respect to the real estate and towers for NCNN), and all rights therein and applications for any of the foregoing, as set forth on Schedule 1.6 hereto (collectively, the "NCNN FCC Authorizations");

(b) Effective as of the Effective Time, Curtis Network shall assume all of CRN's obligations and liabilities, whether accrued or unaccrued, absolute or contingent, known or unknown, under the NCNN FCC Authorizations to the extent that such liabilities or obligations of CRN pertain to the period of time commencing on or after the Effective Time (collectively, the "NCNN FCC Authorizations Assumed Liabilities").

(c) Curtis Network and CRN have entered into a Services Agreement dated as of the Effective Date pursuant to which CRN has agreed to provide Curtis Network with the benefit of services provided through use of the NCNN FCC Authorizations during the period prior to the Second Closing (the "NCNN Services Agreement"); provided, however, that CRN shall maintain ultimate licensee ownership and control of the NCNN FCC Authorizations under the NCNN Services Agreement.

#### **1.7 Exchange and Allocation.**

(a) Subject to the provisions of this Agreement, the WRBZ IP Assets, WCLY Assets and WDNC Assets are hereby or will be, as the case may be, exchanged for the NC News Network Assets, NCNN FCC Authorizations and FM Translator Assets. There is no cash consideration that will be paid by any of the Parties to the other Parties, except as contemplated by Section 1.11 and, if applicable, Sections 1.12(b) and 12.5. The transfers described in this Article 1 are part of an integrated, interdependent, mutual and reciprocal plan intended to effectuate exchanges by the Curtis Parties, WRBZ LLC and the Capitol Parties of like-kind personal properties pursuant to and in accordance with the provisions of Section 1031 of the Internal Revenue Code, and to the extent possible, state tax statutes.

(b) The Parties agree that the consideration to be received by each Party under this Agreement will be allocated among the assets being transferred by such Party pursuant to this Agreement as set forth on Schedule 1.7, which schedule shall be finalized to the mutual satisfaction of the Parties no later than sixty (60) days after the Effective Date. The Parties shall report all information regarding the exchanges of the various assets contemplated hereby, and the allocation of the consideration received among the transferred assets, to any taxing authority having jurisdiction over the Parties, or the assets the subject of this Agreement only in accordance with the allocation of the consideration prepared in accordance with this Section, and, if applicable, shall prepare and file Form 8824. In the event that any taxing authority disputes or challenges such allocation of the consideration, the Parties shall immediately notify the other Parties hereto of such dispute or challenge. In the event of such a dispute or challenge, the Party/Parties to such dispute or challenge shall be free to settle such dispute or challenge in its/their sole discretion, subject to Section 12.5.

**1.8 Time, Place and Date of Closing.** The closing (herein referred to as the “First Closing”) of the transfer and assignment of the WRBZ IP Assets and NC News Network Assets and the assumption of the WRBZ IP Assumed Liabilities and NC News Network Assumed Liabilities as contemplated by this Agreement (collectively, the “First Closing Transactions”) will take place on the Effective Date at the offices of Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P., 1600 Wachovia Capitol Center, Raleigh, North Carolina and shall be effective as of 12:01:01 a.m. Raleigh, North Carolina local time. The closing of the transfer and assignment of the WCLY Assets, WDNC Assets, FM Translator Assets and NCNN FCC Authorizations (herein referred to as the “Second Closing”) shall take place on the Second Closing Date at the offices of Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P., 1600 Wachovia Capitol Center, Raleigh, North Carolina and shall be effective as of the Effective Time. The “Second Closing Date” shall be the date two (2) business days following the satisfaction or waiver of the condition set forth in Section 10.1(a) or on such other date as shall be agreed to by the Parties, subject to the satisfaction or waiver of the other conditions set forth in Sections 10.1, 10.2 and 10.3. So long as the conditions set forth in Sections 10.1, 10.2 and 10.3 have been satisfied or waived, the Second Closing shall occur immediately following the closing of the transactions contemplated by the WRBZ Exchange Agreement and in no event later than 10 minutes thereafter.

**1.9 Second Closing.** At the Second Closing:

(a) Each transferring Party shall deliver to the transferee such instruments of conveyance, transfer, and assignment, in form and substance reasonably satisfactory to such transferee and its counsel (the “Transfer Instruments”), as shall be sufficient to convey, transfer and assign to such transferee all of such transferring Party’s right, title and interest in and to all the to-be-transferred assets under Sections 1.3, 1.4, 1.5 and 1.6 of this Agreement, in each case free and clear of all Liens (other than Permitted Liens or as specifically provided for herein), such instruments to include a bill of sale, an assignment of FCC authorizations, and assignment and assumption agreement, in each case in form consistent with the terms of this Agreement;

(b) Each transferring Party shall deliver to the transferee all of such transferring Party’s files and records which constitute to-be-transferred assets under Sections 1.3, 1.4, 1.5 and 1.6 of this Agreement, and such transferring Party shall put the transferee in actual possession of such assets; and

(c) Each transferee Party shall assume the assumed obligations to be assumed by it in accordance with Sections 1.3, 1.4, 1.5 and 1.6 of this Agreement pursuant to one or more customary instruments of assumption.

**1.10 Covenants To Be Performed After the First and Second Closing.** After the First Closing and after the Second Closing, as the case may be, each Party shall, from time to time upon another Party’s request, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all such further deeds, assignments, documents, instruments, transfers, conveyances, discharges, releases, assurances and consents, and to take or cause to be taken such further actions, as such other Party may reasonably request to carry out the transactions contemplated by, and the purposes of, this Agreement. After the First Closing and after the Second Closing, as the case may be, each transferee Party shall allow another requesting transferring Party reasonable access, upon reasonable notice and during normal business hours, to such of the files and records (including financial records) as relate to the transferred assets under this Agreement for purposes of preparing such Party’s tax returns, securities filings and for all other proper purposes.

**1.11 Proration of Expenses; Adjustments to Purchase Price.**

(a) Income, costs and expenses arising from or attributable to the ownership or use of the WCLY Assets, WDNC Assets and WRBZ IP Assets, respectively, will be prorated among the relevant Parties in accordance with the WCLY TBA, WDNC TBA and WRBZ TBA, respectively. If the WCLY TBA expires or is terminated prior to the Second Closing, all income, costs and expenses arising from or attributable to the ownership or use of the WCLY Assets up to the Effective Time (defined in Section 1.3(c)) will be prorated between Triangle Broadcast or WRBZ LLC, as the case may be, on the one hand, and WCLY LLC, on the other hand, so that Triangle Broadcast or WRBZ LLC, as the case may be, shall be entitled to all income and responsible for all expenses and costs allocable for the period prior to the Effective Time, and WCLY LLC shall be entitled to all income and responsible for all expenses and costs allocable for the period on and after the Effective Time, excluding income, expenses and costs

dealt with in the WCLY TBA. If the WDNC TBA expires or is terminated prior to the Second Closing, all income, costs and expenses arising from or attributable to the ownership or use of the WDNC Assets up to the Effective Time will be prorated between WDNC Inc. or WRBZ LLC, as the case may be, on the one hand, and WDNC LLC, on the other hand, so that WDNC Inc. or WRBZ LLC, as the case may be, shall be entitled to all income and responsible for all expenses and costs allocable for the period prior to the Effective Time, and WDNC LLC shall be entitled to all income and responsible for all expenses and costs allocable for the period on and after the Effective Time, excluding income, expenses and costs dealt with in the WDNC TBA. To the extent not dealt with in the WRBZ TBA, all income, costs and expenses arising from or attributable to the ownership or use of the WRBZ IP Assets up to 12:01:01 on the Effective Date (the “Initial Closing Time”) will be prorated between Curtis Network and WRAL-FM so that Curtis Network shall be entitled to all income and responsible for all expenses and costs allocable for the period prior to the Initial Closing Time, and WRAL-FM shall be entitled to all income and responsible for all expenses and costs allocable for the period on and after the Initial Closing Time.

(b) All income, costs and expenses arising from or attributable to the ownership or use of the NC News Network Assets up to the Initial Closing Time will be prorated between Curtis Network and WRAL-FM so that WRAL-FM shall be entitled to all income and responsible for all expenses and costs allocable for the period prior to the Initial Closing Time, and Curtis Network shall be entitled to all income and responsible for all expenses and costs allocable for the period on and after the Initial Closing Time. Items to be apportioned pursuant to this Section 1.11(b) shall include, without limitation (i) all taxes (other than income taxes arising from the sale of the NC News Network Assets pursuant to this Agreement which shall be WRAL-FM’s sole responsibility, and taxes arising from the sale and transfer of the NC News Network Assets which shall be paid in accordance with Section 13.1) relating to the NC News Network Assets; and (ii) business and license fees including any FCC regulatory fees (and any retroactive adjustments thereof).

(c) The prorations and adjustments contemplated by Section 1.11(b), to the extent practicable, shall be made on the Initial Prorations Payment Date. Not less than three (3) business days prior to the Initial Prorations Payment Date, WRAL-FM shall submit to Curtis Network a written estimate of adjustments and prorations to be made in accordance with Section 1.11(b). Curtis Network and WRAL-FM will attempt in good faith to agree on an amount of any adjustments not capable of being ascertained on the Initial Prorations Payment Date, which adjustments and prorations shall be made within ninety (90) days of the Effective Date.

(d) In the event of any disputes between Curtis Network and WRAL-FM as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 1.11(c) and such disputes shall be determined by an independent certified public accountant mutually acceptable to such Parties whose determination shall be final, and the fees and expenses of such accountant shall be paid one-half by Curtis Network and one-half by WRAL-FM.



### **1.12 Termination.**

(a) This Agreement may be terminated at any time prior to the consummation of the Second Closing by:

- (i) the mutual written consent of all of the Parties;
- (ii) any of the Parties, if the Second Closing does not occur within nine (9) months from the latest date an Assignment Application (as defined in Section 9.1) is accepted for filing by the FCC and such acceptance is placed on Public Notice, as that term is defined by the FCC's rules;
- (iii) any of the Capitol Parties, if any of the Curtis Parties and/or WRBZ LLC shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality, or if any of the Curtis Parties and/or WRBZ LLC shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Second Closing Date or within thirty (30) days after any of the Capitol Parties has given written notice to such Curtis Party or WRBZ LLC of such breach;
- (iv) any of the Curtis Parties or WRBZ LLC, if any of the Capitol Parties shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality, or if any of the Capitol Parties shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Second Closing Date and thirty (30) days after one of the Curtis Parties or WRBZ LLC has given written notice to such Capitol Party of such breach;
- (v) any Party, if the FCC for any reason designates for hearing any of the Assignment Applications;
- (vi) Capitol, subject to and in accordance with Section 13.4 of this Agreement;
- (vii) a Terminating Party (as defined in Section 13.13), subject to and in accordance with Section 13.13 of this Agreement; or
- (viii) any Party, if any of the Time Brokerage Agreements referenced in Section 13.14 below is terminated prior to the end of its term, provided that no Capitol Party may terminate this Agreement if any such Time Brokerage Agreement was terminated by a Curtis Party or WRBZ LLC as a result of an uncured material breach by a Capitol Party and no Curtis Party nor WRBZ LLC may terminate this Agreement if any such Time Brokerage Agreement was terminated by a Capitol Party as a result of an uncured material breach by a Curtis Party or WRBZ LLC.

(b) In the event of the termination of this Agreement by a Party pursuant to this Section 1.12, written notice thereof shall promptly be given by such terminating Party to the other Parties and, except as otherwise provided herein, (i) this Agreement shall become null and void and of no further force or effect as to any transactions that remain to be consummated and any remaining liabilities and obligations of the Parties under this Agreement, except for Sections 1.7, 1.10, 1.11, 1.12, 9.2, 12 and 13, all of which shall survive termination, and (ii) such termination shall relieve each Party from liability for all violations of this Agreement that occurred prior to termination and that relate primarily to the transactions to be consummated at the Second Closing, other than (A) violations that resulted in or caused the failure of the Second Closing to occur and/or (B) willful breaches; provided that the transactions that were consummated as of the First Closing shall continue to be effective and not be rescinded by any termination; and provided, further, that each of the agreements described in Section 13.14 and the NCNN Services Agreement shall remain in effect subject to the terms and conditions of those agreements; and provided, further that following or contemporaneously with the termination of this Agreement, notwithstanding the termination of this Agreement (i) upon receipt of the FCC Consent to the transfer of the FM Translator Assets, (x) if the WCLY TBA and WDNC TBA are not terminated contemporaneously with this Agreement, WRAL-FM shall transfer to WRBZ LLC the FM Translator Assets and WRBZ LLC shall assume the FM Translator Assumed Liabilities or (y) if the WCLY TBA and WDNC TBA are terminated contemporaneously with this Agreement, WRAL-FM shall transfer to WDNC Inc. (following receipt of consent from the FCC) the FM Translator Assets in consideration for payment by WDNC Inc. to WRAL-FM of \$400,000 and the assumption by WDNC Inc. of the FM Translator Assumed Liabilities, and (ii) upon receipt of the FCC Consent to the transfer of such NCNN FCC Authorizations, CRN shall transfer to Curtis Network the NCNN FCC Authorizations and Curtis Network shall assume the NCNN FCC Authorizations.

(c) Notwithstanding the provisions of Sections 1.12(a) and (b) above, no Party may terminate this Agreement if such Party (or a Party affiliated with it) is in material default hereunder, or if a delay in any decision or determination by the FCC respecting an Assignment Application has been caused or materially contributed to (i) by any failure of such Party (or a Party affiliated with it) to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by such Party (or a Party affiliated with it) of incorrect, inaccurate or incomplete information to the FCC; or (iii) by any other action taken by such Party (or a Party affiliated with it) or such Party's (or a Party affiliated with it) failure to act for the purpose of delaying the FCC's decision or determination respecting an Assignment Application.

### **1.13 Accounts Receivable.**

(a) The Parties hereto acknowledge that the cash (and trade) accounts receivable derived from the operation of WCLY prior to the First Closing Date (the "WCLY Accounts Receivable") are not among the WCLY Assets being transferred to WCLY LLC pursuant to the terms hereof. Collection and remittance of the WCLY Accounts Receivable shall be conducted as set forth in the WCLY TBA (as defined in Section 13.14).

(b) The Parties hereto acknowledge that the cash (and trade) accounts receivable derived from the operation of WDNC prior to the First Closing Date (the "WDNC Accounts")

Receivable”) are not among the WDNC Assets being transferred to WDNC LLC pursuant to the terms hereof. Collection and remittance of the WDNC Accounts Receivable shall be conducted as set forth in the WDNC TBA (as defined in Section 13.14).

(c) The Parties hereto acknowledge that the cash (and trade) accounts receivable derived from the operation of NCNN prior to the First Closing Date (the “NCNN Accounts Receivable”) are not among the NC News Network Assets being transferred to Curtis Network pursuant to the terms hereof. Any NCNN Accounts Receivable received by Curtis Network shall be promptly remitted to WRAL-FM, provided, however, that Curtis Network shall have no obligation to collect any such NCNN Accounts Receivable. Any accounts receivable received by WRAL-FM but which are for the benefit of Curtis Network shall be promptly remitted by WRAL-FM to Curtis Network, provided, however, that WRAL-FM shall have no obligation to collect any such accounts receivable.

## **SECTION 2: REPRESENTATIONS AND WARRANTIES OF CURTIS PARTIES AND WRBZ LLC**

In order to induce the Capitol Parties to enter into this Agreement, each of the Curtis Parties and WRBZ LLC represents and warrants to the Capitol Parties that as of the Effective Date:

**2.1 Organization of the Curtis Parties and WRBZ LLC.** Such Party is duly incorporated or organized, as the case may be, validly existing and in good standing under the laws of the jurisdiction of its incorporation/organization and has requisite corporate or limited liability company, as the case may be, power and authority to enter into and perform this Agreement.

**2.2 Authority of the Curtis Parties and WRBZ LLC.** Such Party has the necessary corporate or limited liability company, as the case may be, power and authority to execute, deliver and perform this Agreement and all other agreements, documents and instruments to be executed and delivered by it pursuant hereto (collectively, the “Curtis Party Agreements” and “WRBZ Party Agreements”, as the case may be) and to own the WRBZ IP Assets, WCLY Assets or WDNC Assets, as the case may be, and operate WCLY or WDNC, as the case may be, prior to the consummation of the transactions contemplated hereby. Such Party has taken all necessary corporate or limited liability company, as the case may be, action to authorize the execution, delivery and performance by it of this Agreement and the Curtis Party Agreements or WRBZ Party Agreements to which it is a party.

**2.3 Binding Effect.** This Agreement constitutes, and upon execution and delivery the other Curtis Party Agreements and WRBZ Party Agreements to which such Party is a party will constitute, its legal, valid, and binding obligations enforceable in accordance with their terms subject to bankruptcy, reorganization and similar laws affecting the rights of creditors generally (the “Enforceability Exception”).

**2.4 No Violation / No Conflict.** Subject to the consents and approvals of the FCC referred to in Section 9.1, any third party consents required to assign and assume the WRBZ

Agreements or WDNC Agreements, as the case may be, and other consents and filings required by this Agreement or otherwise obtained or completed at or prior to the First Closing or Second Closing, as the case may be, to such Party's knowledge, neither the execution and delivery by it of this Agreement, and the Curtis Party Agreements and WRBZ Party Agreements to which it is a party, nor compliance by it with any of the provisions hereof, nor the consummation of the transactions contemplated hereby or thereby, will, to its knowledge (i) violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, (ii) violate any provision of its articles of incorporation, bylaws, articles of organization or operating agreement, as the case may be, or (iii) conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under, or will result in the creation or imposition of any lien, charge or encumbrance, other than Permitted Liens, upon any of its properties or assets pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which it is a party or by which or to which it or any of its assets are subject or bound.

**2.5 Broker.** No broker has acted for or on behalf of such Party in connection with the negotiation or consummation of this Agreement, and no broker is entitled to a brokerage fee, commission or other payment due from it in connection with the transactions contemplated by this Agreement.

### **SECTION 3: REPRESENTATIONS AND WARRANTIES OF CURTIS NETWORK**

In order to induce the Capitol Parties to enter into this Agreement, Curtis Network represents and warrants to the Capitol Parties that as of the Effective Date:

**3.1 WRBZ Intellectual Property.** To Curtis Network's knowledge, neither the use of any of the WRBZ Intellectual Property by Curtis Network nor the conveyance of any WRBZ Intellectual Property by Curtis Network to WRAL-FM nor WRAL-FM's use of any WRBZ Intellectual Property in a manner consistent with the prior use of such property by WRBZ, LLC has, does, or will infringe upon the right of any third party with respect to such WRBZ Intellectual Property.

**3.2. Performance of WRBZ Agreements.** Curtis Network has fully and timely performed all of its obligations pursuant to each of the WRBZ Agreements and is not in default or breach of any WRBZ Agreement. Curtis Network has not received notice from any party to any WRBZ Agreement that such party contends that it is in default or breach under any WRBZ Agreement. Each of the WRBZ Agreements is in full force and effect and, to the knowledge of Curtis Network there has not been, and is not, any default or breach under any WRBZ Agreement by the other party to any WRBZ Agreement. There have been no modifications, extensions, or amendments of any of the WRBZ Agreements, whether oral or written, except as may be contemplated by this Agreement. Curtis Network has not been notified by any other party to any WRBZ Agreement that such party has a present intent to terminate or not to renew any WRBZ Agreement. None of the WRBZ Agreements included in the WRBZ Assets has as the other party an entity controlled by any of Curtis Network's owners.

**3.3. Title to WRBZ IP Assets.** Curtis Network owns or has a valid contract right to, as applicable, all of the WRBZ IP Assets free and clear of all Liens, except for liens for taxes not yet due and payable (the "Permitted Liens").

#### **SECTION 4: REPRESENTATIONS AND WARRANTIES OF TRIANGLE BROADCAST**

In order to induce the Capitol Parties to enter into this Agreement, Triangle Broadcast represents and warrants to the Capitol Parties that as of the Effective Date:

##### **4.1 Title to WCLY Assets; Liens; Condition and Sufficiency of WCLY Assets.**

(a) Triangle Broadcast owns or has a valid contract right to, as applicable, all of the WCLY Assets free and clear of all Liens, except for Permitted Liens.

(b) The WCLY Tangible Assets are being transferred on an "as is, where is" basis. The WCLY Tangible Assets, together with the WCLY Excluded Property, include all material items of tangible property used by Triangle Broadcast primarily in connection with the operation of WCLY as of August 1, 2009, and there have been no material modifications, alterations, or other changes to such WCLY Tangible Assets since August 1, 2009. The WCLY Assets, together with the WCLY Excluded Property, constitute all the assets used or held for use by Triangle Broadcast primarily in the business or operation of WCLY. The WCLY Intangible Assets include all of the intellectual property rights currently used to promote or identify WCLY or otherwise needed for or used in WCLY's businesses or operations, and all of which are in good standing and uncontested. Triangle Broadcast has no knowledge of any infringement or unlawful or unauthorized use of the WCLY Intangible Assets. To Triangle Broadcast's knowledge, neither the use of any of the intellectual property constituting WCLY Intangible Assets by Triangle Broadcast nor the conveyance of any such intellectual property to WCLY LLC nor WCLY LLC's use of any WCLY Intangible Assets in a manner consistent with the prior use of such property by Triangle Broadcast has, does, or will infringe upon the right of any third party with respect to such intellectual property.

**4.2 WCLY Licenses.** The WCLY Licenses constitute all licenses, permits and governmental authorizations and approvals which are material to the operation of WCLY. Triangle Broadcast is the duly authorized holder of the WCLY Licenses, all of which are in full force and effect as of the Effective Date. There are no applications or proposals pending before or approved by the FCC that would change WCLY's community of license or result in any other material change to the operations of WCLY or the WCLY licenses. The WCLY Licenses have been issued for the full terms customarily issued to a broadcast radio station in the state of license. Triangle Broadcast is in material compliance with each of the WCLY Licenses. There are no investigations, proceedings, or material complaints pending or, to Triangle Broadcast's knowledge, threatened, at the Commission which might adversely affect the business or operations of WCLY, or might materially impair its ability to assign the WCLY Licenses to Capitol or which would materially impede its ability to prosecute the Assignment Application applicable to WCLY or seek the grant of the FCC Consent, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally. All reports and

fees required to be filed or paid by Triangle Broadcast for WCLY with the Commission have been timely filed and paid and all such reports are materially accurate. Such items as are required to be placed in WCLY's local public records files have been timely placed in such file and all proofs of performance and measurements that are required to be made by it with respect to WCLY's transmission facilities have been timely completed and are on file at WCLY. Triangle Broadcast has operated WCLY, its physical facilities, electrical and mechanical systems and transmitting and studio equipment substantially in compliance with the Commission's rules.

**4.3 Compliance with Laws; Litigation.** Triangle Broadcast has operated WCLY and the WCLY Assets in compliance with all WCLY Licenses and applicable federal, state and local laws, including, without limitation, compliance with the Communications Act of 1934, as amended and the rules and regulations of the FCC (collectively, the "Communications Act"), except in each case as would not have a material adverse effect upon the financial condition of WCLY. There is no judgment outstanding and no litigation or proceeding before any court, administrative agency, arbitrator or mediator of any nature pending or, to Triangle Broadcast's knowledge, threatened which might materially and adversely affect the continued operation or earnings of WCLY or materially and adversely affect the enjoyment and use by WCLY LLC of the WCLY Assets to be purchased hereunder.

**4.4 Payment of Taxes.** As of the Effective Date, all federal, state, county and local tax returns required to be filed by Triangle Broadcast, if any, with respect to WCLY or the WCLY Assets have been duly and timely filed (after taking into account any extensions therefor). Triangle Broadcast has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it with respect to WCLY or the WCLY Assets. Triangle Broadcast has paid all installments of estimated tax due with respect to WCLY or the WCLY Assets for periods prior to the Effective Date. Any applicable taxes upon WCLY or the WCLY Assets, including property, sales or use taxes or any other tax however designated arising from the subject matter of this Agreement and applicable to any events or time periods prior to the Second Closing, shall be the responsibility of Triangle Broadcast.

**4.5 Insurance.** All of the WCLY Assets which are of an insurable character are insured by reputable insurance companies against loss or damage by fire and other risks to the extent and in the manner customary for properties and assets of that nature.

**4.6 Environmental Reports.** Triangle Broadcast has delivered to WCLY LLC copies of any environmental reports or site assessments relating to any real property used in the operation of WCLY that have been prepared or conducted by or on behalf of any Curtis Party.

## **SECTION 5: REPRESENTATIONS AND WARRANTIES OF WDNC INC.**

In order to induce the Capitol Parties to enter into this Agreement, WDNC Inc. represents and warrants to the Capitol Parties that as of the Effective Date:

### **5.1 Title to WDNC Assets; Liens; Condition and Sufficiency of WDNC Assets.**

(a) WDNC Inc. owns or has a valid contract right to, as applicable, all of the WDNC Assets free and clear of all Liens, except for Permitted Liens.

(b) The WDNC Tangible Assets are being transferred on an “as is, where is” basis. The WDNC Tangible Assets, together with the WDNC Excluded Property, include all material items of tangible property used by WDNC Inc. primarily in connection with the operation of WDNC as of August 1, 2009, and there have been no material modifications, alterations, or other changes to such WDNC Tangible Assets since August 1, 2009. The WDNC Assets, together with the WDNC Excluded Property, constitute all the assets used or held for use by it primarily in the business or operation of WDNC. The WDNC Intangible Assets include all of the intellectual property rights currently used to promote or identify WDNC or otherwise needed for or used in WDNC’s businesses or operations, and all of which are in good standing and uncontested. WDNC Inc. has no knowledge of any infringement or unlawful or unauthorized use of the WDNC Intangible Assets. To WDNC Inc.’s knowledge, neither the use of any of the intellectual property constituting WDNC Intangible Assets by WDNC Inc. nor the conveyance of any such intellectual property to WDNC LLC nor WDNC LLC’s use of any WDNC Intangible Assets in a manner consistent with the prior use of such property by WDNC Inc. has, does, or will infringe upon the right of any third party with respect to such intellectual property.

**5.2 WDNC Agreements.** All written WDNC Agreements are in effect and binding upon WDNC Inc. and, to its knowledge, the other parties thereto. WDNC Inc. and to its knowledge each other party thereto have complied in all material respect with all respective provisions of the WDNC Agreements required to be complied with by them.

**5.3 WDNC Licenses.** The WDNC Licenses constitute all licenses, permits and governmental authorizations and approvals which are material to the operation of WDNC. WDNC Inc. is the duly authorized holder of the WDNC Licenses, all of which are in full force and effect as of the Effective Date. There are no applications or proposals pending before or approved by the FCC that would change WDNC’s community of license or result in any other material change to the operations of WDNC or the WDNC licenses. The WDNC Licenses have been issued for the full terms customarily issued to a broadcast radio station in the state of license. WDNC Inc. is in material compliance with each of the WDNC Licenses. There are no investigations, proceedings, or material complaints pending or, to WDNC Inc.’s knowledge, threatened, at the Commission which might adversely affect the business or operations of WDNC, or might materially impair its ability to assign the WDNC Licenses to Capitol or which would materially impede its ability to prosecute the Assignment Application applicable to WDNC or seek the grant of the FCC Consent, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally. All reports and fees required to be filed or paid by WDNC Inc. for WDNC with the Commission have been timely filed and paid and all such reports are materially accurate. Such items as are required to be placed in WDNC’s local public records files have been timely placed in such file and all proofs of performance and measurements that are required to be made by WDNC Inc. with respect to WDNC’s transmission facilities have been timely completed and are on file at WDNC. WDNC Inc. has operated

WDNC, its physical facilities, electrical and mechanical systems and transmitting and studio equipment substantially in compliance with the Commission's rules.

**5.4 Compliance with Laws; Litigation.** WDNC Inc. has operated WDNC and the WDNC Assets in compliance with all WDNC Licenses and applicable federal, state and local laws, including, without limitation, compliance with the Communications Act, except in each case as would not have a material adverse effect upon the financial condition of WDNC. There is no judgment outstanding and no litigation or proceeding before any court, administrative agency, arbitrator or mediator of any nature pending or, to WDNC Inc.'s knowledge, threatened which might materially and adversely affect the continued operation or earnings of WDNC or materially and adversely affect the enjoyment and use by WDNC LLC of the WDNC Assets to be purchased hereunder.

**5.5 Payment of Taxes.** As of the Effective Date, all federal, state, county and local tax returns required to be filed by WDNC Inc., if any, with respect to WDNC or the WDNC Assets have been duly and timely filed (after taking into account any extensions therefor). WDNC Inc. has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it with respect to WDNC and the WDNC Assets. WDNC Inc. has paid all installments of estimated tax due with respect to WDNC and the WDNC Assets for periods prior to the Effective Date. Any applicable taxes upon WDNC or the WDNC Assets, including property, sales or use taxes or any other tax however designated arising from the subject matter of this Agreement and applicable to any events or time periods prior to the Second Closing, shall be the responsibility of WDNC Inc.

**5.6 Insurance.** All of the WDNC Assets which are of an insurable character are insured by reputable insurance companies against loss or damage by fire and other risks to the extent and in the manner customary for properties and assets of that nature.

**5.7 Environmental Reports.** WDNC Inc. has delivered to WDNC LLC copies of any environmental reports or site assessments relating to any real property used in the operation of WDNC that have been prepared or conducted by or on behalf of any Curtis Party.

## **SECTION 6: REPRESENTATIONS AND WARRANTIES OF THE CAPITOL PARTIES**

In order to induce the Curtis Parties and WRBZ LLC to enter into this Agreement, each of the Capitol Parties represents and warrants to the Curtis Parties and WRBZ LLC that as of the Effective Date:

**6.1 Organization of the Capitol Parties.** Such Capitol Party is duly incorporated or organized, as the case may be, validly existing and in good standing under the laws of the jurisdiction of its incorporation/organization and has requisite corporate or limited liability company, as the case may be, power and authority to enter into and perform this Agreement.

**6.2 Authority of the Capitol Parties.** Such Capitol Party has the necessary corporate or limited liability company, as the case may be, power and authority to execute, deliver and perform this Agreement and all other agreements, documents and instruments to be



executed and delivered by it pursuant hereto (collectively, the “Capitol Party Agreements”) and to own the NC News Network Assets, NCNN FCC Authorizations and FM Translator Assets prior to the consummation of the transactions contemplated hereby. Such Capitol Party has taken all necessary corporate or limited liability company, as the case may be, action to authorize the execution, delivery and performance by it of this Agreement and the Capitol Party Agreements to which it is a party.

**6.3 Binding Effect.** This Agreement constitutes, and upon execution and delivery the other Capitol Party Agreements to which such Capitol Party is a party will constitute, its legal, valid, and binding obligations enforceable in accordance with their terms subject to the Enforceability Exception.

**6.4 No Violation / No Conflict.** Subject to the consents and approvals of the FCC referred to in Section 9.1, any third party consents required to assign and assume the NC News Network Assumed Contracts and other consents and filings required by this Agreement or otherwise obtained or completed at or prior to the First Closing or Second Closing, as the case may be, to such Capitol Party’s knowledge, neither the execution and delivery by it of this Agreement, and the Capitol Party Agreements, nor compliance by it with any of the provisions hereof, nor the consummation of the transactions contemplated hereby or thereby, will, to its knowledge (i) violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, (ii) violate any provision of its articles of incorporation or bylaws or (iii) conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under, or will result in the creation or imposition of any lien, charge or encumbrance, other than Permitted Liens, upon any of its properties or assets pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which it is a party or by which or to which it or any of its assets are subject or bound.

**6.5 Broker.** No broker has acted for or on behalf of such Capitol Party in connection with the negotiation or consummation of this Agreement, and no broker is entitled to a brokerage fee, commission or other payment due from it in connection with the transactions contemplated by this Agreement.

**6.6 Capitol Qualifications.** To its knowledge, WCLY LLC and WDNC LLC are qualified under the Communications Act of 1934, as amended, and the rules of the FCC to be a licensee of radio stations WCLY and WDNC.

## **SECTION 7: REPRESENTATIONS AND WARRANTIES OF WRAL-FM, CRN AND CAPITOL CONCERNING NCNN**

In order to induce the Curtis Parties and WRBZ LLC to enter into this Agreement, each of WRAL-FM, CRN and Capitol represent and warrant to the Curtis Parties and WRBZ LLC that as of the Effective Date:

**7.1 Title to NC News Network Assets; Liens; Condition and Sufficiency of Assets.**

(a) WRAL-FM, CRN or Capitol, as the case may be, owns or has a valid contract right to, as applicable, all of the NC News Network Assets (except the NCNN FCC Authorizations) free and clear of all Liens, except for Permitted Liens.

(b) CRN owns or has a valid contract right to, as applicable, all of the NCNN FCC Authorizations free and clear of all Liens, except for Permitted Liens.

(c) The NCNN Tangible Assets are being sold on an “as is, where is” basis. The NCNN Tangible Assets, together with the NC News Network Excluded Property, include all material items of tangible property used by WRAL-FM primarily in connection with the operation of NCNN as of August 1, 2009, and there have been no material modifications, alterations, or other changes to such NCNN Tangible Assets since August 1, 2009. The NC News Network Assets and NCNN FCC Authorizations, together with the NC News Network Excluded Property, constitute all the assets used or held for use by it primarily in the business or operation of NCNN. The NCNN Intangible Assets include all of the intellectual property rights currently used to promote or identify NCNN or otherwise needed for or used in NCNN’s businesses or operations, and all of which are in good standing and uncontested. WRAL-FM has no knowledge of any infringement or unlawful or unauthorized use of the NCNN Intangible Assets. To WRAL-FM’s knowledge, neither the use of any of the intellectual property constituting NCNN Intangible Assets by WRAL-FM nor the conveyance of any such intellectual property by WRAL-FM to Curtis Network nor Curtis Network’s use of any NCNN Intangible Assets in a manner consistent with the prior use of such property by WRAL-FM has, does, or will infringe upon the right of any third party with respect to such intellectual property.

**7.2 NCNN Contracts.** All written NCNN Contracts are in effect and binding upon WRAL-FM, CRN or Capitol, as the case may be, and, to its knowledge, the other parties thereto. WRAL-FM, CRN or Capitol, as the case may be, and to its knowledge each other party thereto have complied in all material respect with all respective provisions of the NCNN Contracts required to be complied with by them.

**7.3 NCNN FCC Authorizations.** The NCNN FCC Authorizations constitute all licenses, permits, and governmental authorizations and approvals which are material to the operation of NCNN, except those licenses set forth on Schedule 1.2(b)(xiii). CRN is the duly authorized holder of the NCNN FCC Authorizations, all of which are in full force and effect as of the Effective Date. CRN is in material compliance with each of the NCNN FCC Authorizations. There are no investigations, proceedings, or material complaints pending or, to CRN’s knowledge, threatened, at the Commission which might adversely affect the future operations of NCNN, or might materially impair its ability to assign the NCNN FCC Authorizations to Curtis Network or which would materially impede its ability to prosecute the Assignment Application applicable to NCNN or seek the grant of the FCC Consent, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally. All reports and fees required to be filed or paid by CRN with the Commission have been timely filed and paid and all such reports are materially accurate. WRAL-FM and CRN

have operated NCNN, its physical facilities and electrical and mechanical systems substantially in compliance with the Commission's rules.

**7.4 Compliance with Laws; Litigation.** WRAL-FM has operated NCNN and the NC News Network Assets, and CRN has used the NCNN FCC Authorizations, in compliance with all applicable federal, state and local laws, including, without limitation, compliance with the Communications Act, except in each case as would not have a material adverse effect upon the financial condition of NCNN. There is no judgment outstanding and no litigation or proceeding before any court, administrative agency, arbitrator or mediator of any nature pending or, to WRAL-FM's knowledge, threatened which might materially and adversely affect the continued operation or earnings of NCNN or materially and adversely affect the enjoyment and use by Curtis Network of the NC News Network Assets or the NCNN FCC Authorizations to be purchased hereunder.

**7.5 Payment of Taxes.** As of the Effective Date, all federal, state, county and local tax returns required to be filed by WRAL-FM, CRN and Capitol, if any, with respect to NCNN, the NC News Network Assets or the NCNN FCC Authorizations have been duly and timely filed (after taking into account any extensions therefor). WRAL-FM, CRN and Capitol have paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by either of them with respect to NCNN, the NC News Network Assets or the NCNN FCC Authorizations. WRAL-FM, CRN and Capitol have paid all installments of estimated tax due with respect to NCNN, the NC News Network Assets or the NCNN FCC Authorizations for periods prior to the Effective Date. Any applicable taxes upon WRAL-FM, CRN, Capitol, the NC News Network Assets or the NCNN FCC Authorizations, including property, sales or use taxes or any other tax however designated arising from the subject matter of this Agreement and applicable to any events or time periods prior to the First Closing, shall be the responsibility of WRAL-FM, CRN and/or Capitol.

**7.6 Insurance.** All of the NC News Network Assets which are of an insurable character are insured by reputable insurance companies against loss or damage by fire and other risks to the extent and in the manner customary for properties and assets of that nature.

**7.7 Employee Relations.** In the conduct of NCNN's affairs, WRAL-FM has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor including those relating to collective bargaining and other unfair labor practices, wages, hours, discrimination, and the withholding and payment of social security and similar taxes and is not liable for any arrears or penalties relating thereto which would have a material adverse effect upon the operations of NCNN or which could result in liability to the Curtis Parties following the First Closing. WRAL-FM shall be solely responsible for, and hold the Curtis Parties harmless from, any and all employment compensation, personnel benefits, accrued benefits and bonuses up to the Effective Time with respect to the operation of NCNN. No labor union is certified, or otherwise recognized, as the collective bargaining representative for any of NCNN's employees; it has no knowledge of any labor strike, union organizing efforts, equal employment opportunity or discrimination allegation or other employee or labor controversy or dispute pending which could affect Curtis Network's operation of NCNN. Schedule 7.7 sets forth an accurate list of all current employees of NCNN together with a description of the dates of commencement of their respective

employment and their positions and areas of responsibility as of the Effective Date. WRAL-FM has not promised to any employee of NCNN that any Curtis Party will be hiring any such employee or otherwise make any offer of employment on behalf of any Curtis Party and no Curtis Party shall have any obligation to employ any NCNN employee. WRAL-FM shall be fully responsible for all severance and other obligations owing to any of its employees.

## **SECTION 8: REPRESENTATIONS AND WARRANTIES OF WRAL-FM CONCERNING FM TRANSLATOR**

In order to induce the Curtis Parties and WRBZ LLC to enter into this Agreement, WRAL-FM represents and warrants to the Curtis Parties and WRBZ LLC that as of the Effective Date:

### **8.1 Title to FM Translator Assets; Liens; Condition and Sufficiency of Assets.**

(a) WRAL-FM owns or has a valid contract right to, as applicable, all of the FM Translator Assets free and clear of all Liens, except for Permitted Liens.

(b) The FM Translator Assets constitute all the assets used or held for use by WRAL-FM primarily in connection with the FM Translator.

**8.2 Compliance with Laws; Litigation.** WRAL-FM has held the FM Translator construction permit and the FM Translator Assets in compliance with all applicable federal, state and local laws, including, without limitation, compliance with the Communications Act. There is no judgment outstanding and no litigation or proceeding before any court, administrative agency, arbitrator or mediator of any nature pending or, to WRAL-FM's knowledge, threatened which might materially and adversely affect the FM Translator Assets to be purchased hereunder.

**8.3 Payment of Taxes.** As of the Effective Date, all federal, state, county and local tax returns required to be filed by WRAL-FM, if any, with respect to the FM Translator and the FM Translator Assets have been duly and timely filed (after taking into account any extensions therefor). Any applicable taxes upon the FM Translator Assets, including property, sales or use taxes or any other tax however designated arising from the subject matter of this Agreement and applicable to any events or time periods prior to the Second Closing, were paid when they became due and shall be the responsibility of WRAL-FM.

**8.4 FM Translator Authorizations.** The Parties acknowledge that the FM Translator Authorization is an unbuilt construction permit for the construction of the FM Translator and that additional FCC authorizations and approvals will be required in connection with the licensing of the operation of the FM Translator. WRAL-FM is the duly authorized holder of the FM Translator Authorization, which is in full force and effect as of the Effective Date. The FM Translator Authorization expires February 4, 2011. Except as set forth on Schedule 8.4, there are no applications or proposals pending before or approved by the FCC that would result in a material change to the FM Translator Authorizations. WRAL-FM is in material compliance with the terms and conditions set forth in the FM Translator Authorization. There

are no investigations, proceedings, or material complaints pending or, to WRAL-FM's knowledge, threatened, at the Commission which might materially impair WRAL-FM's ability to assign the FM Translator Authorizations to WRBZ LLC or WDNC Inc., as the case may be, or which would materially impede WRAL-FM's ability to prosecute the Assignment Application applicable to the FM Translator or seek the grant of the FCC Consent, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally. All reports and fees required to be filed or paid by WRAL-FM with the Commission have been timely filed and paid and all such reports are materially accurate.

## **SECTION 9: CERTAIN MATTERS PENDING THE SECOND CLOSING**

The Parties covenant and agree that from the Effective Date until the Second Closing Date:

**9.1 Approvals.** Promptly upon the execution of this Agreement, the applicable Curtis Parties and WRBZ LLC and the applicable Capitol Parties shall each prepare for filing with the FCC their respective portions of the applications for FCC consent to the assignment of the WCLY Licenses and WDNC Licenses to WCLY LLC and WDNC LLC, respectively, the assignment of the NCNN FCC Authorizations to Curtis Network and the assignment of the FM Translator to WRBZ LLC (each an "Assignment Application" and collectively, the "Assignment Applications"), which shall be filed within ten (10) business days after the Effective Date. The Parties shall diligently prosecute the Assignment Applications and use all reasonable efforts to obtain the FCC's consent and approval of the transactions contemplated therein (the "FCC Consents") as expeditiously as practicable; provided, however, that no Party hereto shall be required to take any action which such Party reasonably determines would have a material adverse effect upon such Party. No Party shall intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the Assignment Applications or cause the FCC Consents not to become Final Actions; provided, however, that no Party hereto will be required to take any action which such Party reasonably determines would have a material adverse effect upon such Party. A "Final Action" shall mean an order of the FCC with respect to which no appeal, no petition for re-hearing, reconsideration, or stay, and no other administrative or judicial action contesting such consent or approval, is pending and as to which the time for filing any such appeal, petition or other action has expired or, if filed, has been denied, dismissed, or withdrawn and the time for instituting any further legal proceeding has expired.

**9.2 Access and Confidentiality.** At any time prior to the Second Closing, each of the Capitol Parties shall have the right, itself or through its counsel, accountants, engineers, lender(s), and other authorized representatives (collectively, "Capitol's Representatives"), during normal business hours and after reasonable written notice, to inspect the WCLY Tangible Assets, WDNC Tangible Assets and WDNC Agreements and to inspect and make abstracts and reproductions of the WCLY Books and Records and WDNC Books and Records and WCLY and WDNC applications and reports to the FCC ("WCLY and WDNC Information"), and Triangle Broadcast, WDNC Inc. and WRBZ LLC shall furnish the Capitol Parties with such information respecting the WCLY Assets and WDNC Assets, respectively, and Triangle Broadcast's and WRBZ LLC's business and financial records relating primarily to WCLY and WDNC Inc.'s and

WRBZ LLC's business and financial records relating primarily to WDNC as such Capitol Party may, from time to time, reasonably request.

The Capitol Parties, and any other person to whom Triangle Broadcast, WDNC Inc. or WRBZ LLC, as the case may be, delivers WCLY and WDNC Information at Capitol's request, shall keep confidential any and all WCLY and WDNC Information and shall not deliver all or any portion thereof, or permit access to all or any portion thereof, to any third party without the prior written consent of Triangle Broadcast, WDNC Inc. or WRBZ LLC, as the case may be, except to the extent that such WCLY and WDNC Information has previously been made public by a person or entity other than the Capitol Parties or any of the Capitol Parties' Representatives or as otherwise required by law. In the event that the Second Closing Transactions (as defined in Section 10.1) contemplated by this Agreement are not consummated, Capitol and Capitol's Representatives shall return to Triangle Broadcast, WDNC Inc. or WRBZ LLC, as the case may be, all WCLY and WDNC Information and any material that contains all or any part of WCLY and WDNC Information. Capitol shall not use WCLY and WDNC Information for any purpose other than for evaluation of the Second Closing Transactions contemplated hereby.

At any time prior to the Second Closing, each of the Curtis Parties shall have the right, itself or through its counsel, accountants, engineers, lender(s), and other authorized representatives (collectively, "Curtis' Representatives"), during normal business hours and after reasonable written notice, to inspect the NC News Network Tangible Assets and NCNN Contracts and to inspect and make abstracts and reproductions of the NC News Network Books and Records and FM Translator Books and Records and NCNN and FM Translator applications and reports to the FCC ("Capitol Information"), and the Capitol Parties shall furnish the Curtis Parties with such information respecting the NC News Network Assets and FM Translator Assets, and the Capitol Parties' business and financial records relating primarily to the NCNN and FM Translator's business as the Curtis Parties may, from time to time, reasonably request.

Each of the Curtis Parties, and any other person to whom any of the Capitol Parties delivers Capitol Information at the request of one of the Curtis Parties, shall keep confidential any and all of Capitol Information and shall not deliver all or any portion thereof, or permit access to all or any portion thereof, to any third party without the prior written consent of such Capitol Party, except to the extent that such Capitol Information has previously been made public by a person or entity other than one of the Curtis Parties or any of Curtis' Representatives or as otherwise required by law. In the event that the Second Closing Transactions contemplated by this Agreement are not consummated, the Curtis Parties and Curtis' Representatives shall return to Capitol, all of Capitol Information and any material that contains all or any part of Capitol Information. The Curtis Parties shall not use Capitol Information for any purpose other than for evaluation of the Second Closing Transactions contemplated hereby.

**9.3 Conduct of Business of WCLY.** Except as contemplated in the WCLY TBA (as defined in Section 13.14), except that Triangle Broadcast may terminate all agreements relating to the operation of WCLY, including programming and advertising agreements, and except for those changes or actions expressly implemented by mutual consent of Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets) and WCLY LLC, and for those changes or actions

which are in the usual and ordinary course of operating WCLY, Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets) shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the WCLY Assets;

(b) refrain from modifying, amending, altering or terminating, any other material right relating to or included in the WCLY Assets;

(c) maintain insurance on the WCLY Tangible Assets against loss or damage by fire and all other hazards and risks in an amount consistent with ordinary business practices, and in no event lower than the insurance on the WCLY Tangible Assets held on May 1, 2009;

(d) maintain the WCLY Assets in accordance with past practices, ordinary wear and tear excepted;

(e) refrain from changing its governing documents in any way which would adversely affect its power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(f) operate WCLY in accordance with the WCLY Licenses and in material compliance with all laws, rules and regulations applicable to WCLY, including the rules and regulations of the FCC;

(g) refrain from subjecting any of the WCLY Assets to any new Lien;

(h) provide to WCLY LLC, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to WCLY;

(i) diligently prosecute the Assignment Application pertaining to WCLY;

(j) provide to WCLY, LLC, promptly upon receipt thereof by Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets), a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any WCLY License, or any other license or permit held by Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets) respecting WCLY, and (ii) all protests, complaints, challenges or other documents filed with the FCC by third parties concerning WCLY and, promptly upon the filing or making thereof, copies of Triangle Broadcast's (or WRBZ LLC's if it owns the WCLY Assets) responses to such filings;

(k) notify WCLY LLC in writing immediately upon learning of the institution or written threat of any action against Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets) involving WCLY in any court, or any action against Triangle Broadcast (or WRBZ LLC if it owns the WCLY Assets) involving WCLY before the FCC or any other governmental

agency, and notify WCLY LLC in writing promptly upon receipt of any administrative or court order relating to the WCLY Assets or WCLY;

(l) refrain from filing any application for any construction permit or modification of any WCLY License or otherwise changing any of WCLY's facilities;

(m) not enter into, or become obligated under, any new agreements or commitments in excess of \$10,000 per annum in connection with the operation of WCLY;

(n) use commercially reasonable efforts to maintain the WCLY Licenses in full force and effect; and

(o) not modify any of the WCLY Licenses.

**9.4 Conduct of Business of WDNC.** Except as contemplated in the WDNC TBA (as defined in Section 13.14), and except for those changes or actions expressly implemented by mutual consent of WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets) and WDNC LLC, and for those changes or actions which are in the usual and ordinary course of operating WDNC, WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets) shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the WDNC Assets;

(b) refrain from modifying, amending, altering or terminating, any other material right relating to or included in the WDNC Assets;

(c) maintain insurance on the WDNC Tangible Assets against loss or damage by fire and all other hazards and risks in an amount consistent with ordinary business practices, and in no event lower than the insurance on the WDNC Tangible Assets held on May 1, 2009;

(d) maintain the WDNC Assets in accordance with past practices, ordinary wear and tear excepted;

(e) refrain from changing its governing documents in any way which would adversely affect its power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(f) operate WDNC in accordance with the WDNC Licenses and in material compliance with all laws, rules and regulations applicable to WDNC, including the rules and regulations of the FCC;

(g) refrain from subjecting any of the WDNC Assets to any new Lien;

(h) refrain from doing or omitting to do any act which will cause a breach of, or default under, or termination of the WDNC Agreements;



(i) provide to WDNC LLC, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to WDNC;

(j) diligently prosecute the Assignment Application pertaining to WDNC;

(k) provide to WDNC LLC, promptly upon receipt thereof by WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets), a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any WDNC License, or any other license or permit held by WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets) respecting WDNC, and (ii) all protests, complaints, challenges or other documents filed with the FCC by third parties concerning WDNC and, promptly upon the filing or making thereof, copies of WDNC Inc.'s (or WRBZ LLC's if it owns the WDNC Assets) responses to such filings;

(l) notify WDNC LLC in writing immediately upon learning of the institution or written threat of any action against WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets) involving WDNC in any court, or any action against WDNC Inc. (or WRBZ LLC if it owns the WDNC Assets) involving WDNC before the FCC or any other governmental agency, and notify WDNC LLC in writing promptly upon receipt of any administrative or court order relating to the WDNC Assets or WDNC;

(m) refrain from filing any application for any construction permit or modification of any WDNC License or otherwise changing any of WDNC's facilities;

(n) operate WDNC in the ordinary course of business consistent with past practices and use reasonable efforts to preserve substantially intact the relationships of WDNC with its material customers, employees, suppliers, licensors, licensees and distributors; and

(o) not enter into, or become obligated under, any new agreements or commitments in excess of \$10,000 per annum in connection with the operation of WDNC, or change, amend, modify or terminate in any material respect the WDNC Agreements.

(p) use commercially reasonable efforts to maintain the WDNC Licenses in full force and effect; and

(q) not modify any of the WDNC Licenses.

**9.5 Conduct of Business of FM Translator.** Except for those changes or actions expressly implemented by mutual consent of WRBZ LLC and WRAL-FM, WRAL-FM shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the FM Translator Assets;

(b) refrain from modifying, amending, altering or terminating, any other material right relating to or included in the FM Translator Assets;

(c) refrain from changing its governing documents in any way which would adversely affect its power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(d) use commercially reasonable efforts to maintain the FM Translator construction permit in material compliance with all laws, rules and regulations applicable to the FM Translator, including the rules and regulations of the FCC;

(e) refrain from subjecting any of the FM Translator Assets to any new Lien;

(f) provide to WRBZ LLC, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to the FM Translator;

(g) diligently prosecute the Assignment Application pertaining to the FM Translator;

(h) provide to WRBZ LLC, promptly upon receipt thereof by WRAL-FM, a copy of  
(i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) the FM Translator construction permit, or any other authorization held by WRAL-FM respecting the FM Translator, and (ii) of all protests, complaints, challenges or other documents filed with the FCC by third parties concerning the FM Translator and, promptly upon the filing or making thereof, copies of WRAL-FM's responses to such filings;

(i) notify WRBZ LLC in writing immediately upon learning of the institution or written threat of any action against WRAL-FM involving the FM Translator in any court, or any action against WRAL-FM involving the FM Translator before the FCC or any other governmental agency, and notify WRBZ LLC in writing promptly upon receipt of any administrative or court order relating to the FM Translator; and

(j) refrain from filing any application for any construction permit or modification of the FM Translator Authorization.

**9.6 Conduct of Business of NCNN.** Except as contemplated in the NCNN Services Agreement (as defined in Section 1.6), and except for those changes or actions expressly implemented by mutual consent of Curtis Network and WRAL-FM, and for those changes or actions which are in the usual and ordinary course of operating NCNN, WRAL-FM and CRN shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the NCNN FCC Authorizations;

(b) refrain from modifying, amending, altering or terminating, any other material right relating to or included in the NCNN FCC Authorizations;

(c) refrain from changing their governing documents in any way which would adversely affect their power or authority to enter into and perform this Agreement or which would otherwise adversely affect their performance of this Agreement;

(d) refrain from subjecting any of the NCNN FCC Authorizations to any new Lien;

(e) provide to Curtis Network, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to NCNN;

(f) diligently prosecute the Assignment Application pertaining to NCNN;

(g) provide to Curtis Network, promptly upon receipt thereof by WRAL-FM or CRN, a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any NCNN FCC Authorizations and (ii) all protests, complaints, challenges or other documents filed with the FCC by third parties concerning NCNN and, promptly upon the filing or making thereof, copies of WRAL-FM's and CRN's responses to such filings;

(h) notify Curtis Network in writing immediately upon learning of the institution or written threat of any action against WRAL-FM or CRN involving NCNN in any court, or any action against WRAL-FM or CRN involving NCNN before the FCC or any other governmental agency, and notify Curtis Network in writing promptly upon receipt of any administrative or court order relating to the NCNN FCC Authorizations or NCNN;

(i) refrain from filing any application for any construction permit or modification of any NCNN FCC Authorizations;

(j) use commercially reasonable efforts to maintain the NCNN FCC Authorizations in full force and effect; and

(k) not modify any of the NCNN FCC Authorizations.

**9.7 Notice of Commencement of Proceedings or Change in Condition.** Each Party shall notify the other Parties in writing immediately upon obtaining knowledge of the occurrence of any of the following events, stating in detail the nature thereof: (i) any proceedings instituted against such Party by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon such Party's ability to perform any of its obligations under this Agreement, and (ii) any material adverse change in the condition, financial or otherwise, of such Party or the collective assets of such Party to be transferred hereunder.

**9.8 No Inconsistent Act.** No Party shall (a) take any action which is materially inconsistent with its respective obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transactions contemplated by this Agreement, except as specifically required or permitted herein, or (b) take or fail to take any action which would render any of its representations and warranties set forth hereunder no longer accurate; provided, however, that no Party hereto shall be required to take any action before the FCC which such Party reasonably determines would have a material adverse effect on such Party.

**9.9 Cooperation; Satisfaction of Conditions.** The Parties will cooperate in all respects in connection with and use commercially reasonable efforts to cause all of the conditions set forth in Sections 10.1, 10.2, and 10.3 to be fulfilled (but not waived).

**9.10 Public Announcement.** Each of Triangle Broadcast as to WCLY, WDNC Inc. as to WDNC, and WRAL-FM as to the FM Translator, at its own expense, shall publish and broadcast (if applicable) public notices concerning the filing of the applicable Assignment Application in accordance with the requirements of Section 73.3580 of the FCC's Rules. As to any other announcements prior to Closing, no Party shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without prior written approval of the other Parties (which shall not be unreasonably withheld or delayed) except as and to the extent that a Party shall be obligated by law, in which case the other Parties shall be so advised and the Parties shall use commercially reasonable efforts to cause a mutually agreeable release or announcement to be issued.

**9.11 Consents.**

(a) Prior to the Second Closing, WRBZ LLC shall proceed with all reasonable diligence and shall use commercially reasonable efforts to obtain all written consents necessary for it to assign the WDNC Agreements to WDNC LLC, if any (the "WDNC Third Party Consents"). Notwithstanding any provision in this Agreement to the contrary, WRBZ LLC shall not have any obligation to expend funds out-of-pocket, or issue any guaranty in order to obtain the WDNC Third Party Consents. If requested by WRBZ LLC, WDNC LLC shall execute and deliver to the applicable third party and/or WRBZ LLC an assumption agreement with respect to WRBZ LLC's obligations and liabilities under each WDNC Agreement to commence as of the Effective Time, which assumption agreement may also contain a release of WRBZ LLC by the applicable third party to such WDNC Agreement. Any WDNC Agreement for which a WDNC Third Party Consent is required for assignment to or assumption by WDNC LLC shall not be assigned to WDNC LLC hereunder in the absence of such WDNC Third Party Consent, but rather, WRBZ LLC shall use its commercially reasonable efforts to provide the benefits of such contract to WDNC LLC and WDNC LLC shall perform the obligations of WRBZ LLC thereunder as though such Contract had been assigned to WDNC LLC hereunder.

(b) The Parties acknowledge that certain of the WRBZ Agreements require the consent of one or more third parties in order for such contracts to be assigned and transferred by Curtis Network to WRAL-FM (the "WRBZ Required Consents"). Curtis Network has used

commercially reasonable efforts to obtain and deliver to WRAL-FM the WRBZ Required Consents. Notwithstanding the foregoing, if any WRBZ Required Consent has not been obtained as of the Effective Date, then this Agreement shall not constitute an assignment or assumption thereof unless and until such WRBZ Required Consent is obtained. If such WRBZ Required Consent is obtained, then this Agreement shall be effective to provide for the assignment and assumption thereof without need for further action. Until such WRBZ Required Consent is obtained, Curtis Network shall provide WRAL-FM with the benefits of such WRBZ Agreement, and WRAL-FM shall perform the obligations of Curtis Network arising thereunder to the extent WRAL-FM receives such benefit.

(c) The Parties acknowledge that certain of the NCNN Contracts require the consent of one or more third parties in order for such contracts to be assigned and transferred by WRAL-FM, CRN and/or Capitol to Curtis Network (the "NC News Network Required Consents"). Each of WRAL-FM, CRN and Capitol has used commercially reasonable efforts to obtain and deliver to Curtis Network the NC News Network Required Consents. Notwithstanding the foregoing, if any NC News Network Required Consent has not been obtained as of the Effective Date, then this Agreement shall not constitute an assignment or assumption of the related NCNN Contract unless and until such NC News Network Required Consent is obtained. If such NC News Network Required Consent is obtained, then this Agreement shall be effective to provide for the assignment and assumption of the related NCNN Contract without need for further action. Until such NC News Network Required Consent is obtained, WRAL-FM shall provide Curtis Network with the benefits of the related NCNN Contract, and Curtis Network shall perform the obligations of WRAL-FM arising thereunder to the extent Curtis Network receives such benefit.

**9.12 Construction and Updating of Schedules.** Any information disclosed by a Party in this Agreement or pursuant to any one or more of the Schedules hereto shall be deemed to be disclosed to the other Parties for all purposes of this Agreement and the Schedules. Prior to the Second Closing, a Party may update and modify the Schedules hereto as necessary to cause the information contained therein to be accurate and complete, including, for example, to reflect changes in the relevant assets; provided that such revised Schedules shall not be considered in determining whether the condition in Section 10.2(a) or 10.3(a) have been satisfied.

**9.13 WCLY Employees.** Subject to the WCLY TBA, Triangle Broadcast shall be solely responsible for, and shall hold the Capitol Parties harmless from, any and all obligations or liabilities relating to Triangle Broadcast's employees, including, but not limited to, compensation, personnel benefits, accrued benefits, bonuses, severance, if any, and accrued vacation and sick days.

**9.14 WDNC Employees.** Subject to the WDNC TBA, WDNC Inc. shall be solely responsible for, and shall hold the Capitol Parties harmless from, any and all obligations or liabilities relating to WDNC Inc.'s employees, including, but not limited to, compensation, personnel benefits, accrued benefits, bonuses, severance, if any, and accrued vacation and sick days.

**9.15 NCNN Employment Offers.** Curtis Network has notified WRAL-FM of the names of WRAL-FM's employees to whom Curtis Network intends to offer employment (such

employees, the "Transferred NCNN Employees"). At the First Closing Date, WRAL-FM shall terminate each of the Transferred NCNN Employees. Additionally, WRAL-FM shall be responsible for all obligations or liabilities relating to WRAL-FM's employees, including, but not limited to, compensation, severance, if any, and accrued vacation and sick days. Curtis Network shall be responsible for all compensation of all Transferred NCNN Employees who are offered and accept employment with Curtis Network accruing from the time such persons become employees of Curtis Network, and all severance, vacation and sick days accruing from the time such persons become employees of Curtis Network. As of the First Closing Date, Curtis Network may hire each of the Transferred NCNN Employees on such terms and conditions satisfactory to Curtis Network in its sole and absolute discretion.

## SECTION 10: CONDITIONS TO CLOSING

**10.1 Mutual Conditions.** The obligations of the Parties to consummate the exchanges of the WCLY Assets, WDNC Assets and FM Translator Assets and the other transactions contemplated hereby to occur on the Second Closing Date (the "Second Closing Transactions") are subject to satisfaction at the time of the Second Closing of each of the following conditions precedent, any of which all Parties may waive in their discretion:

(a) The FCC shall have issued the FCC Consents and any condition to the effectiveness of such FCC Consents which is specified therein shall have been met and the same shall have become Final Actions.

(b) No action or proceeding shall have been instituted or threatened against a Party or any of its respective affiliates before any court or governmental agency or commission or any board of arbitration seeking to restrain or prohibit, or to obtain substantial damages against such Party or its respective affiliates in respect of, this Agreement or the consummation of the transactions contemplated hereby.

(c) Triangle Broadcast, as landlord, and WCLY LLC, as tenant, shall have entered into a lease of the tower utilized by WCLY on substantially the terms set forth in Exhibit 10.1(c) attached hereto ("WCLY Tower Site Lease").

(d) WDNC Inc. shall have subdivided its tower site utilized by WDNC into two parcels in a manner which is reasonably acceptable to WDNC LLC, the plat showing such subdivision shall have been approved by all necessary governmental agencies and third parties, and such plat shall have been recorded with the Durham County Register of Deeds.

(e) WDNC Inc. or New Age Communications Limited Partnership, as landlord, and WDNC LLC, as tenant, shall have entered into an option and lease of the tower utilized by WDNC on substantially the terms set forth in Exhibit 10.1(e) attached hereto ("WDNC Tower Site Lease and Option").

(f) A Curtis Party and WRAL-FM shall have entered into an Affiliation Agreement for Capitol to become the Raleigh-Durham affiliate for the Curtis NC Sports Network substantially in the form attached hereto as Exhibit 10.1(f) ("Affiliation Agreement").

(g) A Capitol Party and a Curtis Party shall have entered into a Programming Agreement for Capitol to carry morning and afternoon traffic reports from Curtis's Triangle Traffic on either WRAL-FM and/or WDNC on a barter basis with an option to carry on both stations substantially in the form attached hereto as Exhibit 10.1(g) ("Programming Agreement").

(h) A Curtis Party and a Capitol Party shall have entered into a Commercial Sales and Services Agreement substantially in the form attached hereto as Exhibit 10.1(h) ("Commercial Sales and Services Agreement").

(i) The First Closing Transactions (as defined in Section 1.8) shall have been consummated.

(j) The transactions contemplated by the WRBZ Exchange Agreement shall have been consummated, or if not consummated, each of the conditions precedent to the consummation of such transactions shall have been satisfied or waived and the parties thereto shall be prepared to consummate such transactions contemporaneously with the consummation of the Second Closing Transactions.

**10.2 Conditions to Obligations of Capitol.** Each of the Capitol Parties' obligation to consummate the Second Closing Transactions (as defined in Section 10.1) is subject to satisfaction at the time of the Second Closing of each of the following conditions precedent, any of which may be waived by such Capitol Party as to itself only:

(a) Each of the Curtis Parties' and WRBZ LLC's representations and warranties contained in Sections 2, 4 and 5 of this Agreement shall be true and correct in all material respects, except that those which are qualified by a standard of materiality shall be true and correct in all respects, on the Second Closing Date as though made on and as of the Second Closing Date (by WRBZ LLC and not the Curtis Parties in the case of the representations and warranties in Sections 4 and 5 of this Agreement and for this purpose references in such representations and warranties in Sections 4 and 5 of this Agreement to "Triangle Broadcast" or "WDNC Inc." shall be to "WRBZ LLC"), except to the extent they are made as of another date, in which case they shall be true and correct in all material respects (or in all respects if qualified by a standard of materiality) as of such other date; and each of the Curtis Parties and WRBZ LLC shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Second Closing Date.

(b) Each of the Curtis Parties and WRBZ LLC shall have delivered to Capitol a certificate of an officer or manager of such Party, dated as of the Second Closing Date, certifying as to the matters set forth in the foregoing paragraph (a) of this Section 10.2.

(c) Each of the Curtis Parties and WRBZ LLC shall have delivered to Capitol a certificate dated as of the Second Closing Date, executed by an officer or manager thereof, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of the Curtis Party Agreements and the WRBZ Party Agreements to

which it is a party and the consummation of the transactions contemplated hereby, were duly adopted by the Board of Directors/Managers of such Party; (ii) that such resolutions have not been amended and remain in full force and effect; and (iii) as to the incumbency of each signatory of the Curtis Party Agreements and WRBZ Party Agreements executed by such Party.

(d) The WCLY Licenses and WDNC Licenses issued by the FCC (the “WCLY and WDNC FCC Licenses”) (i) shall be valid and existing authorizations in every respect for the purpose of operating WCLY and WDNC, respectively, and (ii) shall contain no adverse modifications of the terms of the WCLY and WDNC FCC Licenses as of the date of the WCLY and WDNC Licenses and except for proceedings that affect the radio broadcasting industry generally, no proceeding for any revocation, suspension or modification of the WCLY and WDNC FCC Licenses shall be in effect, and no Curtis Party or WRBZ LLC shall have received any notice that any governmental authority may institute any such proceedings.

**10.3 Conditions to Obligations of each of the Curtis Parties and WRBZ LLC.** Each Curtis Party’s and WRBZ LLC’s obligation to consummate the Second Closing Transactions is subject to satisfaction at the time of the Second Closing of each of the following conditions precedent, any of which may be waived by such Party as to itself only:

(a) Each of the Capitol Parties’ representations and warranties contained in Sections 6, 7 and 8 of this Agreement shall be true and correct in all material respects, except that those which are qualified by a standard of materiality shall be true and correct in all respects, on the Second Closing Date as though made on and as of the Second Closing Date; except to the extent they are made as of another date, in which case they shall be true and correct in all material respects (or in all respects if qualified by a standard of materiality) as of such other date, and the Capitol Parties shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Second Closing Date.

(b) Each of the Capitol Parties shall have delivered to each Curtis Party and WRBZ LLC a certificate of an officer or manager of such Capitol Party, dated as of the Second Closing Date, certifying as to the matters set forth in the foregoing paragraph (a) of this Section 10.3.

(c) Each of the Capitol Parties shall have delivered to each Curtis Party and WRBZ LLC a certificate dated as of the Second Closing Date, executed by an officer or manager thereof, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of the Capitol Party Agreements and the consummation of the transactions contemplated hereby, were duly adopted by the Board of Directors/Managers of such Capitol Party; (ii) that such resolutions have not been amended and remain in full force and effect; and (iii) as to the incumbency of each signatory to the Capitol Party Agreements executed by such Capitol Party.

(d) The FM Translator Authorizations issued by the FCC (i) shall be valid and existing authorizations in every respect, and (ii) shall contain no adverse modifications of the terms of the FM Translator Authorizations and, except for proceedings that affect the radio broadcasting industry generally, no proceeding for any revocation, suspension or modification of



the FM Translator Authorizations shall be in effect, and no Capitol Party shall have received any notice that any governmental authority may institute any such proceedings.

(c) Capitol, as landlord, and WDNC Inc., as tenant, shall have entered into a lease of space on the tower utilized by WRAL-FM on substantially the terms set forth in Exhibit 10.3(c) attached hereto (the "FM Translator Tower Site Lease")

## **SECTION 11: SURVIVAL**

**11.1 Period for Bringing Claim for Breach of Certain Covenants and of Representations and Warranties.** Any right of indemnification for a breach of one or more covenants to be performed on or prior to the Second Closing or of one or more representations and warranties in this Agreement, the Curtis Party Agreements, the WRBZ Party Agreements or the Capitol Party Agreements shall expire on the date that is twelve (12) months following (i) the Second Closing Date, or (ii) the Effective Date if the Agreement is terminated prior to the Second Closing Date (the "Expiration Date"), after which no Party may seek indemnification, bring an action or present a claim for breach of any such representation, warranty or covenant, provided that if the Party claiming breach has notified the alleged breaching Party of such breach prior to such Expiration Date, the Party claiming breach may continue to pursue its indemnification claim.

## **SECTION 12: INDEMNIFICATION**

### **12.1 Indemnification.**

(a) Following the First Closing, the Curtis Parties, jointly and severally, shall indemnify, defend, and hold each Capitol Party and its affiliates and their respective employees, officers, members, managers, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any losses or damages (including reasonable legal fees and costs incurred with respect to same) resulting from, or arising out of (i) subject to Section 11.1, the breach by a Curtis Party of any of its representations, warranties or covenants in Section 2 or 3 of this Agreement or in any of the Curtis Party Agreements to which it is a party; (ii) any and all liabilities and obligations of the Curtis Parties other than those assumed by Capitol pursuant to the terms of this Agreement and the Capitol Party Agreements; and (iii) the NC News Network Assumed Liabilities; provided that the Curtis Parties collectively shall not be required to pay an amount pursuant to Section 12.1(a)(i) in excess of \$50,000 in the aggregate.

(b) Following the First Closing, the Capitol Parties, jointly and severally, shall indemnify, defend and hold each Curtis Party and its affiliates and their respective employees, officers, members, managers, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any losses or damages (including reasonable legal fees and costs incurred with respect to same) resulting from, or arising out of (i) subject to Section 11.1, the breach by a Capitol Party of any of its representations, warranties or covenants in Sections 6 or 7 of this Agreement or in any of the Capitol Party Agreements; (ii) any and all liabilities and obligations of the Capitol Parties other than those assumed by a Curtis Party pursuant to the terms of this Agreement and the Curtis Party Agreements; and (iii) the WRBZ IP Assumed Liabilities; provided

that the Capitol Parties collectively shall not be required to pay an amount pursuant to Section 12.1(b)(i) in excess of \$50,000 in the aggregate.

(c) Following the Second Closing, the Curtis Parties and WRBZ LLC, jointly and severally, shall indemnify, defend, and hold each Capitol Party and its affiliates and their respective employees, officers, members, managers, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any losses or damages (including reasonable legal fees and costs incurred with respect to same) resulting from, or arising out of (i) subject to Section 11.1, the breach by a Curtis Party or WRBZ LLC of any of its representations, warranties or covenants set forth herein or in any of the Curtis Party Agreements or WRBZ Party Agreements to which it is a party; (ii) any and all liabilities and obligations of the Curtis Parties or WRBZ LLC other than those assumed by Capitol pursuant to the terms of this Agreement and the Capitol Party Agreements; and (iii) the NC News Network Assumed Liabilities, NCNN FCC Authorizations Assumed Liabilities or the FM Translator Assumed Liabilities; provided that the Curtis Parties and WRBZ LLC collectively shall not be required to pay an amount pursuant to Section 12.1(c)(i) in excess of \$50,000 in the aggregate.

(d) Following the Second Closing, the Capitol Parties, jointly and severally, shall indemnify, defend and hold each Curtis Party and WRBZ LLC and its affiliates and their respective employees, officers, members, managers, and agents, harmless against all claims, demands and legal actions and will reimburse such parties for any losses or damages (including reasonable legal fees and costs incurred with respect to same) resulting from, or arising out of (i) subject to Section 11.1, the breach by a Capitol Party of any of its representations, warranties or covenants set forth herein or in any of the Capitol Party Agreements; (ii) any and all liabilities and obligations of the Capitol Parties other than those assumed by a Curtis Party or WRBZ LLC pursuant to the terms of this Agreement and the Curtis Party Agreements or WRBZ Party Agreements; and (iii) the WCLY Assumed Liabilities, WDNC Assumed Liabilities or the WRBZ IP Assumed Liabilities; provided that the Capitol Parties collectively shall not be required to pay an amount pursuant to Section 12.1(d)(i) in excess of \$50,000 in the aggregate.

## **12.2 Procedures.**

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or incurrence of damages by the indemnified party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 11.1 if applicable.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of

or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's prior written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes the defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

**12.3 Limitation on Indemnification Obligations.** Claims for which indemnification may be obtained under Section 12.1 shall be limited to the extent of the actual loss or damage suffered by the indemnified parties. No indemnified party shall be entitled to recover from an indemnifying party any special, consequential, incidental, indirect or punitive damages, including for lost profits, business interruption or other similar items, nor shall any damages be calculated using a "multiplier" or any other method having a similar effect, except to the extent that a third party has claimed such damages against such indemnified party.

**12.4 Indemnification is Exclusive Remedy Following Second Closing.** The Parties (i) agree that following the Second Closing a claim for indemnification pursuant to Section 12.1(c) or (d) shall be the sole and exclusive remedy which a Party shall have against another Party under or with respect to this Agreement, the Capitol Party Agreements, the Curtis Party Agreements, the WRBZ Party Agreements and the transactions contemplated hereby, whether for breach or misrepresentation of any representation, warranty, covenant, obligation, agreement or condition or otherwise; (ii) waive any and all other rights and remedies at law or in equity; and (iii) agree that following the Second Closing the only legal action that may be asserted by any Party with respect to any matter that is the subject of this Agreement shall be a breach of contract action to enforce or recover damages for breach of this Section 12; provided, however, that a Party shall have the right to seek equitable relief as may be required to enforce the covenants set forth in Sections 1.7, 1.10, 1.11, 1.13, 9.2, 12 and 13.14; provided further, however, that this Section 12.4 shall not apply to the WCLY Tower Site Lease, WDNC Tower Site Lease and Option, FM Translator Tower Site Lease, Affiliation Agreement, Programming Agreement, NCNN Services Agreement or any other agreement between or among the Parties that is not delivered at the First Closing or Second Closing, such that a Party to such agreement shall have all rights and remedies otherwise available to it under such agreement and at law.

**12.5 Additional Indemnification by Curtis.** Notwithstanding the Parties' intent and expectation that the exchange transactions described in Section 1.7(a) of this Agreement be treated as a like-kind exchange of personal properties pursuant to and in accordance with the provisions of Section 1031 of the Internal Revenue Code (and, to the extent possible, state tax statutes), in the event that (i) it is determined via a review by a federal or state tax authority

within the appropriate statute of limitations that such exchange transactions do not qualify for such Section 1031 tax treatment (the "Determination") or (ii) as a direct result of BIA Financial Network's valuation appraisal of the WRBZ IP Assets, NC News Network Assets and NCNN FCC Authorizations, WCLY Assets, WDNC Assets and FM Translator Assets (expected to conclude within 60 days of the Effective Date) Deloitte LLP, Capitol's independent tax accounting firm, determines that such exchange transactions will not qualify for such Section 1031 tax treatment (the "Valuation"), and as a result of such Determination or Valuation one or more of the Capitol Parties pays out-of-pocket federal or state income taxes directly resulting from any gain realized and recognized on such exchange transactions ("Paid Income Taxes"), Curtis Media shall be required to provide to Capitol an advertising credit equivalent in value of up to (but not more than) Two Hundred Thousand Dollars (\$200,000.00) (the "Maximum Credit"), divided evenly over a period of four (4) years beginning on the earlier of the date of the Determination or Valuation, as the case may be, such that Capitol (on behalf of any and all such Capitol Parties) is compensated for any and all Paid Income Taxes up to and including, but not exceeding the Maximum Credit; provided that under no circumstances shall Curtis Media be required to provide more than one advertising credit under this Agreement, and such advertising credit shall not be in excess of \$200,000. If applicable, such advertising credit shall be for the benefit of Capitol's television stations WRAL-TV, Raleigh, NC and WRAZ-TV, Raleigh, NC (and not for any radio stations), and shall be placed as orders by Capitol on Curtis Media radio stations in accordance with customary practices for placing advertising orders on Curtis Media radio stations and subject to available inventory on Curtis Media's radio stations.

**12.6 Specific Performance.** The Parties recognize that if any Party refuses to consummate the Second Closing pursuant to the provisions of this Agreement or any Party otherwise breaches or defaults such that the Second Closing does not occur or any Party fails to perform its obligations in accordance with Section 1.12(b), monetary damages alone will not be adequate to compensate the non-breaching Party for its injury. Such non-breaching Party shall therefore be entitled to obtain specific performance of the terms of this Agreement in lieu of (and without posting bond or other security), and not in addition to, any other remedies, including but not limited to monetary damages, that may be available to it. If any action is brought by a non-breaching Party to enforce this Agreement, the breaching Party shall waive the defense that there is an adequate remedy at law.

## **SECTION 13: MISCELLANEOUS**

### **13.1 Fees and Expenses.**

(a) All costs of transferring any assets the subject of this Agreement, including recordation, sales, "bulk sales," transfer and documentary taxes and fees, shall be borne by the transferor. The FCC filing fees for the Assignment Applications shall be borne one-half by the Curtis Parties and WRBZ LLC, on the one hand, and one-half by the Capitol Parties, on the other hand.

(b) Each of the Parties shall bear its own expenses in connection with the negotiation and the consummation of the transactions contemplated by this Agreement, including the Curtis Party Agreements, WRBZ Party Agreements and the Capitol Party Agreements.

**13.2 Law Governing.** This Agreement shall be construed under and governed by the laws of the State of North Carolina.

**13.3 Notice.** Any notice or other communication given or required pursuant to this Agreement, or any agreement or instrument delivered pursuant hereto, shall be effective if, and only if, delivered personally, sent by facsimile transmission confirmed by the recipient (but not by automatic confirmation), sent by e-mail transmission confirmed by the recipient (but not by automatic confirmation), sent by certified or registered mail in the United States mails, return receipt requested, or sent by reputable overnight courier, such as "FedEx." A notice delivered personally shall be deemed given when delivered; a notice delivered via facsimile shall be deemed given upon confirmation of receipt by the recipient (but not by automatic confirmation); a notice delivered via e-mail shall be deemed given upon confirmation of receipt by the recipient (but not by automatic confirmation); a notice delivered via certified or registered mail, return receipt requested, shall be deemed given as of the date that the receipt indicates that the notice was received by or on behalf of the addressee; and a notice delivered via overnight courier shall be deemed given the day after delivery to the overnight courier. If a notice is delivered by more than one of the foregoing methods, the notice shall be deemed given on the earliest date of the methods used. All such notices shall be effective only if delivered to the following:

If to a Curtis Party:

Donald W. Curtis  
Curtis Media Group, Inc.  
3012 Highwoods Blvd., Suite 201  
Raleigh, North Carolina 27604  
Facsimile: (919)  
Email: [dcurtis@curtismedia.com](mailto:dcurtis@curtismedia.com)

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

Coe W. Ramsey, Esq.  
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.  
P.O. Box 1800 (ZIP 27602)  
150 Fayetteville Street  
Suite 1600, Wachovia Capitol Center  
Raleigh, North Carolina 27601  
Facsimile: (919) 839-0304  
E-Mail: [cramsey@brookspierce.com](mailto:cramsey@brookspierce.com)

If to WRBZ LLC:

William M. McClatchey, Jr.  
WRBZ, LLC  
3516 Chaucer Place  
Raleigh, NC 27609  
Facsimile: (919) 573-9365

Email: [billymcclatchey@me.com](mailto:billymcclatchey@me.com)

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

Coe W. Ramsey, Esq.  
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.  
P.O. Box 1800 (ZIP 27602)  
150 Fayetteville Street  
Suite 1600, Wachovia Capitol Center  
Raleigh, North Carolina 27601  
Facsimile: (919) 839-0304  
E-Mail: [cramsey@brookspierce.com](mailto:cramsey@brookspierce.com)

If to a Capitol Party:

Capitol Broadcasting Company, Incorporated  
2619 Western Boulevard  
Raleigh, North Carolina 27606  
Facsimile: (919) 821-8733  
Attention: General Counsel  
E-Mail: [legaldept@wral.com](mailto:legaldept@wral.com)

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

David A. O'Connor, Esq.  
Wilkinson Barker Knauer, LLP  
2300 N Street, NW  
Suite 700  
Washington, DC 20037  
Facsimile: (202) 783-5851  
Email: [doconnor@wbklaw.com](mailto:doconnor@wbklaw.com)

#### **13.4 Risk of Loss.**

(a) The risk of loss or damage to the WCLY Assets by force majeure or for any other reason between the Effective Date and the Second Closing Date shall be borne by Triangle Broadcast prior to the consummation of the transactions contemplated by the WRBZ Exchange Agreement and thereafter by WRBZ LLC. Triangle Broadcast or WRBZ LLC, as the case may be, shall take all commercially reasonable steps to repair, replace and restore such property as soon as possible after any loss or damage, it being understood that all insurance proceeds shall be applied to or reserved for such replacement, restoration, or repair; provided, that under no circumstances shall Triangle Broadcast or WRBZ LLC, as the case may be, be required to expend more than \$50,000 of its own funds.

(b) In the case of any damage or destruction to the WCLY Assets, if full repair, replacement or restoration to or of all material assets has not been made on or before the Second Closing Date then Capitol may at its sole option (1) consummate the Second Closing in which

event Triangle Broadcast or WRBZ LLC, as the case may be, shall pay to Capitol the amount necessary to restore the lost or damaged property to its former condition (subject to a cap of \$50,000, less amounts paid for replacement, restoration or repair pursuant to Section 13.4(a)) and against such obligation shall assign to Capitol all of Triangle Broadcast's or WRBZ LLC's, as the case may be, rights under any applicable insurance policies, or (2) postpone the Second Closing for up to 90 days, at the conclusion of which period of postponement Capitol may terminate this Agreement if the loss or damage responsible for such deficient operation has not been fully repaired, replaced or restored.

(c) The risk of loss or damage to the WDNC Assets by force majeure or for any other reason between the Effective Date and the Second Closing Date shall be borne by WDNC Inc. prior to the consummation of the transactions contemplated by the WRBZ Exchange Agreement and thereafter by WRBZ LLC. WDNC Inc. or WRBZ LLC, as the case may be, shall take all commercially reasonable steps to repair, replace and restore such property as soon as possible after any loss or damage, it being understood that all insurance proceeds shall be applied to or reserved for such replacement, restoration, or repair; provided, that under no circumstances shall WDNC Inc. or WRBZ LLC, as the case may be, be required to expend more than \$50,000 of its own funds.

(d) In the case of any damage or destruction to the WDNC Assets, if full repair, replacement or restoration to or of all material assets has not been made on or before the Second Closing Date then Capitol may at its sole option (1) consummate the Second Closing in which event WDNC Inc. or WRBZ LLC, as the case may be, shall pay to Capitol the amount necessary to restore the lost or damaged property to its former condition (subject to a cap of \$50,000), less amounts paid for replacement, restoration or repair pursuant to Section 13.4(c)) and against such obligation shall assign to Capitol all of WDNC Inc.'s or WRBZ LLC's, as the case may be, rights under any applicable insurance policies, or (2) postpone the Second Closing for up to 90 days, at the conclusion of which period of postponement Capitol may terminate this Agreement if the loss or damage responsible for such deficient operation has not been fully repaired, replaced or restored.

**13.5 Construction.** The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. References to Sections shall be deemed references to Sections of this Agreement unless otherwise expressly indicated.

**13.6 Assignment; Binding Effect.** This Agreement shall not be assignable by any Party without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed, provided that a Party may assign, without the consent of the other Parties, such Party's rights and obligations hereunder to one or more persons or entities controlling, controlled by or under common control with such Party, so long as such Party remains liable hereunder in addition to such assignee and such assignment shall not delay or adversely affect obtaining the FCC Consents. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their successors and permitted assigns.

**13.7 Amendment; Waiver.** This Agreement may be amended or modified only by a written instrument signed by all Parties. No provisions of this Agreement may be waived except

by an instrument in writing signed by the Party sought to be bound, which waiver shall specify the provision being waived. No failure or delay by any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, and a waiver of a particular right or remedy on one occasion shall not be deemed a waiver of any other right or remedy or a waiver on any subsequent occasion.

**13.8 Entire Agreement.** This Agreement (including the Exhibits and Schedules hereto), the Curtis Party Agreements and the Capitol Party Agreements delivered at the First Closing constitute the entire understanding among the Parties relating to the subject matter hereof or thereof, and supersede all prior agreements and undertakings, both written and oral, between or among the Parties with respect to the subject matter hereof except as otherwise expressly provided herein or therein. No promises, covenants or representations of any character or nature other than those expressly stated herein have been made to induce a Party to enter into this Agreement. Neither this Agreement nor any part hereof, including this provision against oral modifications, may be modified, waived or discharged except by a writing duly signed by the Party sought to be bound.

**13.9 Severability.** If any term or provision of this Agreement or the application thereof to any circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application to other persons and circumstances shall not be affected thereby and each term and provision hereof shall be enforced to the fullest extent permitted by law. Specifically, without limitation, if any provision shall be deemed by a court of competent jurisdiction to be invalid or unenforceable as to any periods of time, territories or business activities, such provision shall be deemed limited to the extent necessary to render it valid and enforceable.

**13.10 Counterparts.** This Agreement may be executed in multiple counterparts (including by means of facsimile or electronic mail), with the same force and effect as if all the signatures thereto appeared on the same instrument.

**13.11 Bulk Transfer.** The Parties hereby waive compliance with the Bulk Transfer provisions of the Uniform Commercial Code and all similar laws. Each Party transferring assets hereunder shall indemnify and hold harmless the Party receiving such assets from and against any and all liabilities which may be asserted against the receiving Party as a result of noncompliance with any such Bulk Transfer provisions.

**13.12 No Third-Party Beneficiaries.** Except as expressly provided in this Agreement, this Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**13.13 FCC Licenses.** In the event that one or more of the FCC Consents contains any condition which a Party reasonably determines would result in a material adverse effect upon such Party (a "Terminating Party"), then such Terminating Party shall not be obligated to consummate the Second Closing Transactions and may terminate this Agreement. Upon



termination of this Agreement as a result of such an unacceptable condition, no Party shall have any liability or obligation to the other Parties or any further obligation or liability to any other Party hereunder, except as set forth in Section 1.12(b) herein.


**13.14 TBAs.** Contemporaneously with entering into this Agreement: a) WRAL-FM has entered into a Time Brokerage Agreement with WRBZ, LLC with respect to WRBZ (“WRBZ TBA”); b) Triangle Broadcast has entered into a Time Brokerage Agreement with WCLY LLC with respect to WCLY (the “WCLY TBA”); and c) WDNC Inc. has entered into a Time Brokerage Agreement with WDNC LLC with respect to WDNC (the “WDNC TBA”). The WCLY TBA shall be assigned by Triangle Broadcast to and assumed by WRBZ LLC upon the transfer of the WCLY Assets to WRBZ LLC pursuant to the WRBZ Exchange Agreement; provided that such agreement will terminate in accordance with its terms upon the transfer of the WCLY Assets to WCLY, LLC. The WDNC TBA shall be assigned by WDNC Inc. to and assumed by WRBZ LLC upon the transfer of the WDNC Assets to WRBZ LLC pursuant to the WRBZ Exchange Agreement; provided that such agreement will terminate in accordance with its terms upon the transfer of the WCLY Assets to WDNC, LLC.

**13.15 Call Letters.** The Capitol Parties acknowledge WRBZ LLC’s interest (and upon consummation of the transactions contemplated by the WRBZ Exchange Agreement, the interest of WWMY, LLC) in the WRBZ Call Letters as assigned by the FCC to WRBZ (or WWMY, as the case may be), is subject, in all events to the Communications Act, including 47 C.F.R. § 73.3550. Except as permitted by the Communications Act and except with respect to the underlying trademark and service mark rights, nothing in this Agreement shall be construed to effectuate the assignment of the WRBZ Call Letters to a Capitol Party. Notwithstanding the foregoing, and subject to the WRBZ TBA, WRBZ, LLC and WWMY, LLC hereby consent to the assignment of the WRBZ Call Letters to a broadcast station licensed to Capitol or an affiliate of Capitol, and WRBZ, LLC or WWMY, LLC, as the case may be, shall cooperate with Capitol and take all action necessary to effectuate such assignment of the WRBZ Call Letters pursuant to the Communications Act, provided, however, that the Capitol Parties acknowledge that WRBZ LLC or WWMY, LLC, as the case may be, may abandon the WRBZ Call Letters within 30 days of the Second Closing if not previously assigned to a Capitol Party.

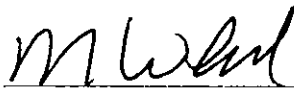
*[The Next Page is the Signature Page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

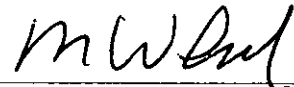
**CURTIS MEDIA GROUP, INC.**

By:   
Name: Donald W. Curtis  
Title: President

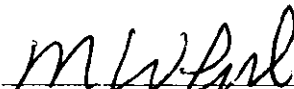
**TRIANGLE BROADCAST ASSOCIATES, LLC**

By:   
Name: Donald W. Curtis  
Title: Member and Manager

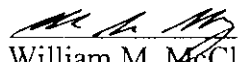
**WDNC, INC.**

By:   
Name: Donald W. Curtis  
Title: President

**CURTIS NETWORK GROUP, LLC**

By:   
Name: Donald W. Curtis  
Title: Member and Manager

**WRBZ, LLC**

By:   
Name: William M. McClatchey, Jr.  
Title: Member and Manager

**CAPITOL BROADCASTING COMPANY,  
INCORPORATED**

By: 

Name: James F. Goodman

Title: President & CEO

**WRAL-FM, INC.**

By: 

Name: James F. Goodman

Title: President

**CAPITOL RADIO NETWORK, INC.**

By: 

Name: James F. Goodman

Title: President

**WCLY-AM, LLC**

By: Capitol Broadcasting Company, Incorporated  
Its Manager

By: 

Name: James F. Goodman

Title: President & CEO

**WDNC-AM, LLC**

By: Capitol Broadcasting Company, Incorporated  
Its Manager

By: 

Name: James F. Goodman

Title: President & CEO

As to Section 13.15 of this Agreement only:

**WWMY, LLC**


By:   
Name: Donald W. Curtis  
Title: Member and Manager

Exhibit 10.1(c)  
WCLY Tower Site Lease Terms

The Parties agree that the WCLY Tower Site Lease will, when executed, include the following terms:

- Curtis will retain ownership of the WCLY tower site and tower. Capitol acknowledges that WCLY shares the tower with Curtis station WDOX for duplex transmission
- 5 year term, self-renewing at Capitol's option
- Rent is \$750/month, subject to standard rent escalations
- Capitol will have 24/7 access to the lease site and transmitter building
- Curtis will maintain the tower in its present state
- Curtis intends to replace the existing tower during the initial term, and Capitol acknowledges that there will be a short period when the station will be off the air as a result
- Curtis acknowledges that Capitol intends to replace the existing transmitter at the site
- Standard environmental reps/warranties for tower leases

Exhibit 10.1(e)  
WDNC Tower Site Lease and Option Terms

The Parties agree that the WDNC Tower Site Lease and Option will, when executed, include the following terms:

- Curtis will retain ownership of the tower site and towers with Capitol leasing a specified parcel that includes the three towers, transmitter structure and approximately 80% of the ground system
- 5 year term
- Annual lease payment will equal the annual property tax, insurance and towers maintenance expense for the portion of the entire property leased by Capitol (determined on a pro rata basis based on the number of acres)
- At conclusion of the term, Capitol will have an option to purchase the property based on (i) if Curtis sells any significant portion of the property to an unrelated buyer during the lease term, the per acre price for such sale, or otherwise (ii) the median of multiple appraisals for the highest and best use of the entire track of property, including the portion leased by Capitol and the portion not leased by Capitol
- Legal description of property to be provided to Capitol by Curtis
- Standard environmental reps/warranties for tower leases

Exhibit 10.1(f)  
Form of Affiliation Agreement

## CMG SPORTS RADIO NETWORK

This agreement is between radio station \_\_\_\_\_, owned and operated by \_\_\_\_\_, hereinafter referred to as "Station", and \_\_\_\_\_ a North Carolina Limited Liability Company, hereafter referred to as "Network"

- (1) PROGRAMMING: Station agrees to air the radio programs listed on Exhibit 1. Station will air programs in its entirety with no exceptions including network commercials also listed in Exhibit 1.
- (2) COMPENSATION: Station agrees to air the four (4) Network minutes per hour within each hour of Network programming, per the Exhibit 1. Commercial units due to Network are not preemptible. Commercials may be of any length, but cannot exceed 4 minutes.
- (3) COMMERCIAL CLEARANCE REQUIREMENT. Licensee understands and agrees to broadcast ONLY the network commercial inventory provided by Network. Each commercial has a code embedded within each network commercial allowing commercial monitoring to provide proof of broadcast by Station.
- (4) PROGRAM RIGHTS. Station acknowledges that all rights to network programs shall remain the exclusive property of Network. Station, without written authorization from Network, cannot copy, duplicate, rebroadcast, or reproduce any Network materials. No portion of any network program may be edited in any way. No sound bits, or other Network material may be used in any other programs except twenty or fewer second clips may be used in on-air show promotional announcements.
- (5) TERM. The Term of this Agreement shall be for two (2) years, commencing on \_\_\_\_\_ and shall continue for subsequent renewal periods of fifty-two (52) weeks unless terminated as outlined in Exhibit 2. Should Station decide to cancel the Network, all Network programs Station are to air, per the attached Exhibit 1, and all Network minutes contained therein, shall continue to air in the appropriate dayparts for the duration of contract cancellation period, or until Network replaces Station within the market, whichever is of shorter duration. This Agreement is transferable and enforceable in the event Station is sold.
- (6) PROOF OF PERFORMANCE. Immediately after the end of each broadcast week, Station shall submit to Network affidavits setting forth proof of broadcasting for Network sponsor commercials. Affidavits are to be submitted by Station on forms provided by Network.
- (7) BREACH. If Network fails to make timely delivery of the Network programs, or any portion thereof, for any reason beyond its control, such failure shall not be deemed a breach or violation of the terms of this Agreement. Should Station breach any term or condition of this Agreement (e.g., failure to (a) broadcast the Network during the time



specified, (b) failure to broadcast a Network commercial during the scheduled broadcast of the Network, (c) failure to submit complete affidavits of performance for any two (2) broadcast weeks, consecutive or non-consecutive, within a twelve (12) month period), network may, in addition to other rights it may have, immediately without further notice, terminate this Agreement and have no further obligations to Station.

- (8) MARKET EXCLUSIVITY. This License to broadcast the Network shall be exclusive to Stations during the term hereof for the City in which the Station is located. Other rights to the Network programs other than those expressly granted by this contract to Station are reserved to and by the Network.
- (9) PERFORMANCE ROYALTIES. Station shall be solely responsible for the payment of any public performance music licenses or royalty payments which may be required to be paid to any party such as BMI, ASCAP, SESAC, or any like organization on account of the broadcast of any music contained in the Network.
- (10) CHANGES IN LICENSEE'S COVERAGE AREA. If Station modifies its signal power or frequency and/or changes the coverage area in any respect, Station shall notify Network no less than thirty (30) days prior to the effective date of any such modification and Network may, upon four (4) weeks notice, terminate this Agreement if Station's coverage area modification infringes upon Network market exclusivity which Network has granted to any other radio station.
- (11) ASSIGNMENT. Network may assign this Agreement to any party and Station shall have the right to assign this Agreement to any party acquiring all of the Station's assets or stock but in such event, Station shall not be relieved of its obligations hereunder.
- (12) MERCHANDISING RIGHTS. No merchandising rights are granted under this Agreement. Station may make no use of the Programs, or the names and likeness of any of the Programs hosts, which are not specifically authorized herein, without written approval of Network.
- (13) INDEMNIFICATION. Station hereby indemnifies and holds Network harmless, from and against any and all claims, damages, liabilities, costs and expenses arising out of the broadcast of the program distributed by Network. Station assumes any and all claims, damages, liability, costs and expenses arising from the broadcast by Station of any Program material.
- (14) CONFIDENTIALITY. Stations agrees not to, either during or after the Term of this Agreement, directly or indirectly disclose, divulge, render or offer any information concerning the content or negotiations of this Agreement, except as required by process of law.
- (15) This Agreement shall be governed by the laws of the State of North Carolina.

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

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit 10.1(g)  
Form of Programming Agreement

**AFFILIATION AGREEMENT BETWEEN  
THE TRIANGLE TRAFFIC NETWORK AND \_\_\_\_\_**

This AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Curtis Marketing Group, Inc., dba TRIANGLE TRAFFIC NETWORK (hereinafter referred to as "TTN") and \_\_\_\_\_, a \_\_\_\_\_ company, licensee of \_\_\_\_\_ in \_\_\_\_\_ (hereinafter referred to as "W\_\_\_\_\_").

1. TTN and W\_\_\_\_\_ agree this date to enter into this Affiliation Agreement, as may be amended from time to time, pursuant to which TTN agrees to provide commuter traffic information and sponsored commercials ("TTN Program and Commercial Material") to \_\_\_\_\_, as well as any other such program materials as may be agreed to by both parties from time to time, and \_\_\_\_\_ agrees to broadcast the TTN Program and Commercial Material.

2. TTN agrees to provide the TTN Program and Commercial Material to \_\_\_\_\_ at TTN's expense, under the terms specified hereunder and in the attached Affiliate Appendix. TTN reserves the right to make reasonable modifications, from time to time, to the schedule set forth in the Affiliate Appendix. If a major holiday or other event occurs on a regular broadcast day (Monday-Friday), TTN also reserves the right to alter or suspend TTN services for that day.

A. TTN may use internet, email, fax, phone services, or other delivery services to provide the TTN Program and Commercial Material. In the event of a failure to deliver TTN Program and Commercial Material including, but not limited to, failure of facilities, labor disputes, governmental regulations, Acts of God, Force Majeure or any other cause beyond the reasonable control of TTN, TTN shall have no liability of \_\_\_\_\_.

B. TTN will provide \_\_\_\_\_ all TTN commercial materials and other instructions pertaining to \_\_\_\_\_ as well as general instructions for all TTN Affiliates. \_\_\_\_\_ recognizes the importance of these communications and will carry out all instructions pertaining to \_\_\_\_\_.

3. \_\_\_\_\_ agrees to air the TTN Program and Commercial under the terms specified hereunder and in the attached Affiliate Appendix, including the airing of TTN sponsored commercials at the conclusion of each traffic report, which will consist of a 3-5 second billboard and a fifteen (15) second commercial announcement adjacent to the traffic report. If TTN provides \_\_\_\_\_ with advance lists of sponsors of TTN commercial material, \_\_\_\_\_ agrees to avoid airing commercial material that is for or relates to a competitor of a sponsor on TTN's list in the time period immediately adjacent to TTN Program and Commercial Material.

A. \_\_\_\_\_ will broadcast all TTN Program and Commercial Material in the time periods set forth in the Affiliate Appendix as may be reasonably modified by TTN. \_\_\_\_\_ may broadcast TTN Program and Commercial at other times only with the prior written consent of TTN. If an event of major importance

occurs on a regular broadcast day (Monday-Friday), \_\_\_\_\_ may request permission from TTN, at least seven days in advance, if practicable, to schedule equivalent commercial time for TTN in lieu of the regularly scheduled TTN broadcasts or commercial material.

- B. TTN will provide \_\_\_\_\_ with forms for Affidavits of Performance. \_\_\_\_\_ must complete and return all Affidavits of Performance to TTN within ten (10) days following the completion of each broadcast week. \_\_\_\_\_ will, in its Affidavits of Performance, accurately list all delayed broadcasts or all failures to broadcast TTN program and Commercial Material which \_\_\_\_\_ is required to broadcast pursuant to this Agreement. \_\_\_\_\_ will certify that, except as set forth therein, all TTN Program and Commercial Material was broadcast and that all commercial announcements were properly made as provided therein.
- C. \_\_\_\_\_ will be excused for failure to carry TTN Program and Commercial Material only (I) in the event that TTN Program and Commercial Material is not received or broadcast by \_\_\_\_\_ due to technical failure, labor disputes, Force Majeure, Acts of God, or other circumstances beyond the reasonable control of \_\_\_\_\_, in which event, \_\_\_\_\_ will notify TTN immediately by telephone or any failure to receive Program and Commercial Material from TTN; or (II) if permitted by \_\_\_\_\_ to permit it to broadcast other programming of greater local, national or international importance, including play-by-play sports broadcasts. In the event of any such failure to broadcast, \_\_\_\_\_ will provide TTN with "make-goods" of all commercial materials at times and dates approved by TTN and will notify TTN of times and dates of "make-goods" in the Affidavits of Performance described in this Agreement. If failure to broadcast is fault of TTN \_\_\_\_\_ has no responsibility to make-good commercial material. Failure to broadcast TTN Program and Commercial Material pursuant to this paragraph must be reported to TTN as soon as possible.
- D. \_\_\_\_\_ agrees that during the terms of this Agreement, \_\_\_\_\_ will not broadcast any traffic information acquired from any other traffic reporting service then TTN. Provided, however, that \_\_\_\_\_ can broadcast traffic related stories produced by its news department, independent of, or in conjunction with TTN; and may air listeners' comments without endorsement of accuracy, as they may occur from time to time.
- E. \_\_\_\_\_ agrees to broadcast the TTN Program and Commercial Material only as permitted by this Agreement, and may not cut, alter or reuse, or permit others to rebroadcast or reuse any TTN Program and Commercial Material provided hereunder, without the prior written consent of TTN.
- F. Other details and agreements related to the airing of reports and commercial materials are detailed in the attached Affiliate Appendix.

3. The term of this Agreement shall commence on \_\_\_\_\_ and continue for a period of one (1) year and shall remain in effect for successive one (1) year terms, unless either party notifies the other of its intent to terminate with 90 days advance notice, after the end of the first term.

4. TTN will indemnify and hold harmless \_\_\_\_\_ from and against any and all claims, damages, liabilities, costs and expense, including reasonable attorney's fees arising out of the broadcast of any TTN Program and Commercial Material or any actions of TTN, in accordance with the terms of this Agreement. \_\_\_\_\_ will indemnify and hold harmless TTN from and against any and all fees resulting from \_\_\_\_\_'s negligence with regards to terms of this Agreement.

5. This Agreement, or any part hereof, may be amended or supplemented from time to time, but only in writing, signed by both parties.

6. This Agreement shall be assignable by TTN or \_\_\_\_\_ only with the prior written consent of TTN or \_\_\_\_\_, which consent not unreasonably be withheld.

7. In the event \_\_\_\_\_ rebroadcasts the signal of another broadcast station or subcarrier channel, it shall be the responsibility of \_\_\_\_\_ to obtain written authorization from the originating station for rebroadcast of that station's signal.

8. This Agreement represents the full understanding and commitments between \_\_\_\_\_ and TTN.

ACCEPTED FOR

\_\_\_\_\_

By: \_\_\_\_\_

ACCEPTED FOR

TRIANGLE TRAFFIC NETWORK

By: \_\_\_\_\_

TRIANGLE TRAFFIC NETWORK  
Affiliation

Triangle Traffic Network (TTN) will deliver to Affiliate and Affiliate hereby agrees to broadcast all TTN Traffic Program s and Commercials in their entirety, which will include a TTN non-preemptible 305 second commercial billboard and :15 second commercial announcement sold exclusively by TTN, within 15 minutes of the following scheduled times each weekday:

Morning:

6:02 a.m.	Report and one :15 commercial
6:22 a.m.	Report and one :15 commercial
6:42 a.m.	Report and one :15 commercial
7:02 a.m.	Report and one :15 commercial
7:22 a.m.	Report and one :15 commercial
7:42 a.m.	Report and one :15 commercial
8:02 a.m.	Report and one :15 commercial
8:22 a.m.	Report and one :15 commercial
8:52 a.m.	Report and one :15 commercial
9:02 a.m.	Report and one :15 commercial

Afternoon\*

3:42 p.m.	Report and one :15 commercial
4:02 p.m.	Report and one :15 commercial
4:22 p.m.	Report and one :15 commercial
4:52 p.m.	Report and one :15 commercial
5:02 p.m.	Report and one :15 commercial
5:22 p.m.	Report and one :15 commercial
5:42 p.m.	Report and one :15 commercial
6:02 p.m.	Report and one :15 commercial
6:22 p.m.	Report and one :15 commercial
6:42 p.m.	Report and one :15 commercial

\*plus two additional :15 commercials each following one (1) of the above listed afternoon commercials on the afternoon traffic reports at 6:02 p.m. and 6:22 p.m., for a total of ten (10) daily afternoon traffic reports and twelve (12) daily afternoon commercials.

Exhibit 10.1(h)

Form of Commercial Time Sales and Services Agreement



## COMMERCIAL TIME SALES AND SERVICES AGREEMENT

**THIS COMMERCIAL TIME SALES AND SERVICES AGREEMENT** ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between Curtis Media Group, Inc., a North Carolina corporation ("Curtis Media"), and WCLY-AM, LLC, a North Carolina limited liability company ("WCLY LLC"). Curtis and WCLY LLC may be referred to herein individually as a "Party" or together as the "Parties."

### Recitals:

**WHEREAS**, WCLY LLC owns and operates radio broadcast station WCLY(AM), Raleigh, North Carolina (FCC Facility ID Number 51262) (the "Station"), and holds certain authorizations issued by the Federal Communications Commission ("FCC") which are used in the operation of the Station;

**WHEREAS**, in an effort to reduce operating costs and to effectuate certain operating efficiencies to improve the Station's service to the public, WCLY LLC desires to have Curtis Media provide certain services to the Station as further described herein, and Curtis Media desires to provide such services; and

**WHEREAS**, in consideration for such services, WCLY LLC desires to provide to Curtis Media, and Curtis Media agrees to accept, certain advertising time on the Station which Curtis Media will sell to advertisers as provided herein;

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

1. **Term**. The term of this Agreement (the "Term") shall commence on the date of execution of this Agreement and shall continue for a period of \_\_\_\_ years, unless earlier terminated pursuant to the provisions of this Agreement.

2. **Services**. Subject to the discretion and control of WCLY LLC, and subject to Sections 4 and 5 below, during the Term, Curtis Media shall make available to WCLY certain of Curtis Media's employees who will provide WCLY LLC certain traffic and production management, engineering, and production services for the Station as further described below (the "Services"); provided, however, that, except with respect to the Commercial Time (as defined below), this Agreement does not grant to Curtis Media any right to broadcast any programming on the Station. The Services shall include:

a. **Traffic and Production Management Services**. This will include the preparation by Curtis Media employees of a daily log and the entering of the log into a Curtis Media provided automation insertion device. A copy of each day's activities will be provided to WCLY LLC's management. WCLY LLC shall be responsible for providing the production material and instructions for insertion, except as provided in (c) below. WCLY LLC will provide the information needed to produce the log by 12 noon of the preceding day (e.g., Friday

at noon for Saturday, Sunday and Monday's Log). WCLY LLC will be responsible for reporting discrepancies to Curtis Media for correction and/or make goods.

b. Engineering Services. Curtis Media shall provide monitoring of the Station's transmitter including required transmitter readings and tower light inspections. Curtis Media employees will also provide maintenance and emergency repairs for the Station's tower site and equipment.

c. Production Services. Curtis Media employees will provide WCLY LLC with up to 100 produced commercials for Station accounts each month. (These do not include commercials in the Commercial Time provided to Curtis Media pursuant to Section 3 below.) These production services must be used within the calendar month. Copies of each commercial will be provided to WCLY LLC's designated sales representative for approval before airing. Curtis Media will not be responsible for any errors or omissions for copy submitted. The production deadline is two working days.

3. Commercial Time Sales. In consideration for the Services to be provided by Curtis Media, WCLY LLC agrees that during the Term it will provide to Curtis Media, and permit Curtis Media to sell to advertisers, advertising spots on the Station (the "Commercial Time"); provided, however, that in no event shall the Commercial Time constitute more than fifteen percent (15%) of the time available for commercial announcements on the Station on a weekly basis. The Commercial Time shall be provided by WCLY LLC to Curtis Media subject to the discretion and control of WCLY LLC, and subject to Sections 4 and 5 below, as follows:

10 Minutes per day or 70 Minutes Per Week in Morning Drive (Sign on to 10 AM)  
10 Minutes Per day or 70 Minutes Per Week in Mid Days (10 AM to 3 PM)  
10 Minutes Per day or 70 minutes per week in PM Drive (3PM to 7 PM)  
10 Minutes per day or 70 minutes per week in Nights (7PM to Midnight)  
Ads do not carry over without permission of WCLY LLC.

All such advertising spots will be provided in advance to WCLY LLC. All billing and collection for the above bartered time will be the responsibility of Curtis Media.

4. Licensee Control.

a. Curtis Media shall have no responsibility for or involvement with the selection, procurement or broadcast of programming on the Station (other than the Commercial Time), and, notwithstanding anything in this Agreement to the contrary, WCLY LLC shall retain exclusive responsibility, full authority, power and control over the operations of the Station, including the Station's programming, personnel, and finances.

b. It is the intention of the parties that neither Curtis Media nor any of its attributable parties shall have any attributable interest in the Station under the Communications Act of 1934, as amended (the "Act") or the FCC Rules. This Agreement shall be construed in all respects consistent with the FCC's attribution rules and policies to effectuate the non-attribution of the Station to Curtis Media or any of its attributable parties. The parties agree to execute any such other documents as may be required to effectuate this intent.

5. **FCC Compliance.**

a. Notwithstanding anything in this Agreement to the contrary, WCLY LLC shall at all times be solely responsible for compliance with the Act and the FCC Rules with respect to the Station and WCLY LLC shall have the right to take any action, or refrain from taking any action, necessary for compliance with all federal, state and local laws, the Act, and the FCC rules.

b. All arrangements and activities contemplated by this Agreement shall be subject to, and are intended to comply in all respects with, the Act and FCC Rules. To the extent the FCC issues any decision, order, or ruling or makes any request that would require modification of this Agreement, the parties shall immediately undertake reasonable and good faith efforts to amend this Agreement as promptly as possible to comply with such decision, order, ruling or request and, to the maximum extent practical and lawful, to preserve the economic benefits for each Party under the Agreement.

6. **Representations and Warranties.**

a. Curtis Media represents and warrants to WCLY LLC that it is legally qualified, empowered and able to enter into this Agreement, and that the execution, delivery and performance hereof shall not constitute a breach or violation of any agreement, contract or other undertaking to which it is subject or by which it is bound. Curtis Media represents and warrants that it has taken all necessary action to make this Agreement legally binding on it, and that the individual signing this Agreement on behalf of Curtis Media has been fully authorized and empowered to execute this Agreement on behalf of Curtis Media.

b. WCLY LLC represents and warrants to Curtis Media that it is legally qualified, empowered and able to enter into this Agreement, and that the execution, delivery and performance hereof shall not constitute a breach or violation of any agreement, contract or other undertaking to which it is subject or by which it is bound. WCLY LLC represents and warrants that it has taken all necessary corporate action to make this Agreement legally binding on it, and that the individual signing this Agreement on behalf of WCLY LLC has been fully authorized and empowered to execute this Agreement on behalf of WCLY LLC.

7. **Termination.** This Agreement may be terminated prior to the expiration of the Term under any one of the following circumstances:

a. by mutual written consent of the Parties, effective upon a mutually agreed date;

b. by Curtis Media effective upon thirty (30) days written notice in the event of a change in programming format of the Station;

c. by Curtis Media effective upon written notice in the event the Station suffers loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability to operate full time at maximum authorized facilities and the Station does not resume operation with at least 80% of its authorized signal coverage within one hundred twenty (120) hours;

d. by either Party effective upon written notice in the event of a material breach of this Agreement by the other Party, which breach is not cured within thirty (30) calendar days of written notice thereof to the breaching Party with respect to a non-monetary breach and ten (10) business days of written notice thereof to the breaching Party with respect to a payment breach; provided that the terminating Party is not then in material breach.

e. by either Party effective upon written notice to the other if: (i) this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an 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; or (ii) there has been a material change in the Act or FCC Rules that would cause this Agreement to be in violation thereof and such change is in effect and has not been stayed pending an appeal or further administrative review; and in the case of any event described in the foregoing clause (i) or clause (ii), following a period of good faith negotiations pursuant to Section 6(b) not to exceed thirty (30) days, the parties fail to agree on such changes to this Agreement as are required to eliminate such illegality, invalidity or violation while preserving in all material respects the parties respective rights and interests hereunder; or

f. without limiting the generality of Section 8(e), by Curtis Media effective upon written notice to WCLY LLC if the Station is determined by the FCC to be attributable to Curtis Media or any of its attributable parties for purposes of the FCC's multiple ownership rules as a consequence of this Agreement and, following a period of good faith negotiations not to exceed thirty (30) days, Curtis Media and WCLY LLC fail to agree on such changes to this Agreement as are required to eliminate such attribution while preserving in all material respects the Parties' respective rights and interests hereunder.

g. by either Party upon ninety (90) days written notice.

8. **Liabilities after Termination.** After the expiration or termination of this Agreement for any reason, (i) WCLY LLC shall be responsible for broadcasting such advertising on the Station as may be required under advertising contracts entered into by Curtis Media during the term of this Agreement, and (ii) WCLY LLC shall be entitled to any revenues for advertising broadcast after expiration or termination of this Agreement.

9. **Indemnification.**

a. Curtis Media shall indemnify and hold WCLY LLC and its officers, managers, members, agents, and employees harmless against any and all losses, liabilities, or damages (i) resulting from any representation that is untrue in any material respect, material breach of warranty, or material nonfulfillment of any covenant by Curtis Media contained herein or (ii) arising out of any advertising provided by Curtis Media and aired during the Commercial Time.

b. WCLY LLC shall indemnify and hold Curtis Media and its officers, directors, stockholders, agents, and employees harmless against any and all losses, liabilities, or damages (i) resulting from any representation that is untrue in any material respect, material breach of warranty, or material nonfulfillment of any covenant by WCLY LLC contained herein,

or (ii) arising out of any programming broadcast by WCLY LLC on the Station (other than unaltered advertisements provided by Curtis Media during the Commercial Time), or (iii) any failure by WCLY LLC to broadcast advertising material furnished by Curtis Media except as permitted by Section 5.

c. Indemnification shall include all liability, costs, and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any termination of this Agreement. The obligation of each party to indemnify is conditioned on the receipt of notice from the party making the claim for indemnification in time to allow the defending party to timely defend against the claim and upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense, subject to the indemnified party's reasonable approval, provided, however, that no claim may be settled by an indemnifying party without the consent of the indemnified party, and provided further, that if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amounts the claimant agreed to accept in settlement.

10. **Severability.** Subject to Section 7(e) and Section 7(f), in the event any provision contained in this Agreement is held to be invalid, illegal or unenforceable, such holding shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

11. **Notices.** Any notice or other communication given or required pursuant to this Agreement, or any agreement or instrument delivered pursuant hereto, shall be effective if, and only if, delivered personally, sent by facsimile transmission confirmed by the recipients, sent by certified or registered mail in the United States mail, return receipt requested, or sent by reputable overnight carrier, such as "Federal Express." A notice delivered personally shall be deemed given when delivered; a notice delivered via facsimile shall be deemed given upon confirmation of receipt by the recipient; a notice delivered via certified or registered mail, return receipt requested, shall be deemed given as of the date that the receipt indicates that the notice was received by or on behalf of the addressee; and a notice delivered via overnight courier shall be deemed given the day after delivery to the overnight courier. If a notice is delivered by more than one of the following methods, the notice shall be deemed given on the earliest date of the methods used. All such notices shall be effective only if delivered to the following:

- |    |                     |   |
|----|---------------------|---|
| a) | If to Curtis Media: | Curtis Media Group, Inc.<br>3012 Highwoods Blvd. Suite 201<br>Raleigh, NC 27604<br>Attention: Donald W. Curtis<br>Facsimile: (919) 790-6654 |
| b) | If to WCLY LLC:     | WCLY-AM, LLC<br>2619 Western Boulevard<br>Raleigh, NC 27606<br>Attention: James F. Goodmon<br>Facsimile: (919) 821-8733                     |

12. **No Partnership of Joint Venture.** This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or a joint venture between the Parties. Except as otherwise expressly provided in this Agreement, no Party shall be authorized to act as an agent of or otherwise to represent another Party.

13. **Successors and Assigns.**

a. No Party may assign its rights and obligations under this Agreement, either in whole or in part, without the prior written consent of the other Party, provided that either Party may assign its rights under this Agreement to any affiliate or any entity controlled by it at any time during the term of this Agreement upon notice to the other Party.

b. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the Parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the Parties hereto and their successors and permitted assigns any right, remedy or claim, legal or equitable under or by reason of this Agreement.

14. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the Parties, oral and written, with respect to the subject matter hereof, all of which are deemed to have been merged herein. This Agreement may be modified only by an agreement in writing executed by all Parties.

15. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if the Parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one Agreement. Facsimile or electronically-delivered signature pages shall be sufficient to make this Agreement legally binding.

16. **Governing Law.** Except as otherwise expressly provided herein, this Agreement shall be governed by the laws of the State of North Carolina without regard to conflict of law provisions thereof. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in Wake County, North Carolina, and each Party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding.

17. **Further Action.** From time to time after the date of this Agreement, the Parties shall take such further actions and shall execute such further documents, assurances and certificates as the Parties may reasonably request of each other in order to effectuate the purposes of this Agreement.

18. **Construction.**

a. The terms "hereof," "herein" and "hereunder" and terms of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

b. Section references contained in this Agreement are references to Sections in this Agreement, unless otherwise specified.

c. Each defined term used in this Agreement has a comparable meaning when used in its plural or singular form.

d. Whenever the term “including” is used in this Agreement (whether or not that term is followed by the phrase “but not limited to” or “without limitation” or words of similar effect) in connection with a listing of items within a particular classification, that listing shall be interpreted to be illustrative only and shall not be interpreted as a limitation on, or an exclusive listing of, the items within that classification.

[Signatures on the Following Page]

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

**CURTIS MEDIA GROUP, INC.**

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

**WCLY-AM, LLC**

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



Exhibit 10.3(e)  
FM Translator Tower Site Lease Terms

The Parties agree that the FM Translator Tower Site Lease will, when executed, include the following terms:\*

- Capitol retains ownership of the site and tower. Curtis acknowledges that the FM translator shares the tower with Capitol station WCMC
- 5 year term, self-renewing at Curtis's option, subject to Curtis' right to cancel the lease on 3 months notice
- Rent is \$750/month, subject to standard rent escalations
- Curtis will have 24/7 access to the site and the transmitter building
- Capitol will maintain the tower in good working order
- Standard environmental reps/warranties for tower leases

\* Assumes grant of pending W254AS minor modification application proposing to move W254AS facilities to WCMC tower site (File No. BPFT-200909\_\_\_\_, accepted for filing \_\_\_\_)