

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made this 30th day of October, 2008 (the "effective date") by and between Appalachian Educational Communication Corporation (hereinafter "AECC") West Virginia-Virginia Holding Company, LLC (hereinafter "WVHC") each a "Party" and collectively the "Parties".

RECITALS:

- A. AECC holds the license for FM translator Station W246BE, Bluefield, WV with Facility ID #143281 (hereinafter "AECC Translator")
- B. With FCC Consent, AECC desires to assign to WVHC, and WVHC desires to acquire from AECC the license for the AECC Translator in accordance with all the terms and subject to the conditions set forth in this agreement.

NOW THEREFORE, in consideration of the recitals and mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

ARTICLE I **DEFINITIONS**

- 1.1 **Definitions:** Except as specified otherwise, when used in this agreement, the following terms shall have the meanings specified:

"Agreement" shall mean this Asset Purchase Agreement, together with the Schedules and Exhibits attached hereto, as the same shall be amended from time to time in accordance with the terms hereof;

"Closing" shall mean the conference to be held at 10:00 AM Eastern Time, and at such a place as AECC selects on the Closing Date at which time the transactions contemplated by this Agreement shall be consummated as indicated herein;

"Closing Date" shall mean the date designated by AECC upon at least (5) five business days prior written notice to WVHC, immediately following the FCC Public Notice granting the approval of the assignment as contemplated by this Agreement. Both parties agree to waive FCC finality;

"FCC" shall mean the Federal Communications Commission;

"FCC Consent" for or related to the AECC translator license shall be action by the FCC granting its consent to the assignment of the license from AECC to WVHC.

"Final Order" shall mean an FCC approval or grant of the assignments as contemplated in this Agreement with respect to which no action, request for stay, petition for rehearing or reconsideration, appeal or review by the FCC on its own motion is pending and as to which the time for filing or initiation of any such request, petition, appeal, or review has expired;

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, claim, lien, lease (including any capitalized lease) or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, including any agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement under the Uniform Commercial Code of the States of Alabama or Georgia or comparable law of any jurisdiction;

"Person" shall mean any natural person, general or limited partnership, corporation, limited liability company, or other entity;

"Schedules" shall mean those schedules referred to in this Agreement which have been delivered concurrently with the execution of this Agreement;

"AECC License" shall mean the permit or authorizations issued by the FCC to AECC for the operation of the AECC Translator as listed in Schedule A;

"AECC Equipment" shall mean any item listed in Schedule B.

"AECC Purchased Assets" shall mean the right, title and interest of AECC in and to certain assets used or usable in the operation of the AECC Translator, limited to (a) the AECC License, (b) any AECC Equipment, and (c) the AECC Records, excluding all of AECC's cash and accounts receivable; and

"AECC Records" shall mean files and records, including technical information and engineering data, and FCC logs relating to the AECC Translator; provided, however, that the AECC Records shall not include the financial records of AECC or records of other businesses or activities of AECC.

- 1.2 **Singular / Plural – Gender:** Where the context so requires or permits, the use of the singular from includes the plural, and the use of the plural form includes the singular, and the use of the gender includes any and all genders. Except as specifically set forth herein, all Section and Article references are to Sections and Articles of this agreement.

ARTICLE II

PURCHASE AND SALE

- 2.1 **Purchase and Sale:** At the Closing on the Closing Date, and upon all of the terms and subject to all of the conditions of this Agreement, AECC shall sell, assign, convey, transfer and deliver to WVVHC, and WVVHC shall purchase all of AECC's right, title and interest, legal and equitable, in and to the AECC Purchased assets
- 2.2 **Consideration:** The monetary consideration for the assets shall be as follows:
- (a) Upon signing the Agreement, WVVHC will pay to AECC a non-refundable security deposit in the amount of \$2,000.00 (Two thousand dollars) by bank draft, transfer or certified check
 - (b) On the Closing Date, WVVHC will pay to AECC the amount of \$18,000.00 (Eighteen thousand dollars) by bank draft, transfer or certified check.
- 2.3 **Closing Date Deliveries for AECC:** At the Closing on the Closing Date, AECC shall deliver, or cause to be delivered, to WVVHC properly executed and delivered as of the Closing Date: (i) an FCC assignment of the AECC License, (ii) FCC Consummation notice(s), (iii) assignment of tower leases, if any.
- 2.4 **Non-Assumption of Liabilities of AECC:** WVVHC does not and shall not assume or become obligated to pay any debt, obligation of any kind or nature of AECC or the AECC Translator, except for the assumed liabilities or other such obligations, debts or charges as are specifically allocated to WVVHC elsewhere in this Agreement.

ARTICLE III
GOVERNMENTAL APPROVALS AND CONTROL OF STATION

- 3.1 **FCC Consent:** It is specifically understood and agreed by the Parties that the Closing shall be in all respects subject to, and conditioned upon, the receipt of prior FCC Consent. The Parties shall prepare and file with the FCC as soon as is practicable but in no event later than (5) five business days after the execution of this Agreement, all requisite applications and other necessary instruments and documents to request the FCC Consent. The Parties shall prosecute such applications with all reasonable diligence and take all steps necessary to obtain the requisite FCC Consent.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF AECC

AECC represents and warrants to WVHC (which representations and warranties shall survive the Closing for a period of (12) twelve months from the Closing Date) as follows:

- 4.1. **Organization:** AECC is a non-profit educational corporation in the State of Tennessee. AECC has the power and authority to own, lease and operate the AECC Purchased Assets and to conduct business as it is now being conducted. AECC has the full corporate power to purchase the AECC Purchased Assets pursuant to this agreement.
- 4.2. **Authorization; Enforceability:** The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by WVHC are within the power of AECC. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by AECC, the valid and binding obligations of AECC, enforceable against AECC in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratoriums or similar laws at the time in effect effecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.
- 4.3. **Representations as of the Closing Date:** AECC's representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representation and warranties were made as of a specific date, which need only be true as of such date or as otherwise provided by this Agreement.
- 4.4. **Title to Purchased Assets; Liens and Encumbrances:** AECC owns good and marketable title in all of the AECC Purchased Assets free and clear of any and all liens and liabilities
- ~~4.5. **Governmental Authorizations:** AECC holds, and on the Closing Date AECC will hold, a valid license from the FCC to operate the AECC Translator. Schedule B includes a true and complete copy of the AECC License. The AECC License is in full force and effect and AECC is the authorized legal holder thereof. As of the date hereof, no action or proceeding is pending or threatened before the FCC or any other governmental authority to revoke, refuse to renew or modify such AECC License or other authorizations of the AECC Translator; however, should the Station not return to the air prior to December 18, 2008, the Station's license will be forfeited pursuant to 47 U.S.C. §312(g). In the event that the Station's license is forfeited pursuant to 47 U.S.C. §312(g), the deposit described in Section 2.2(b) shall be returned to WVHC.~~
- 4.6. **Representations as of the Closing Date:** AECC's representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representation and warranties were made as of a specific date, which need only be true as of such date or as otherwise provided by this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF WVHC

WVHC represents and warrants to AECC (which representations and warranties shall survive the Closing for a period of (12) twelve months from the Closing Date) as follows:

- 5.1 **Organization:** WVHC is a Limited Liability Company operating in the State of West Virginia. WVHC has the power and authority to own, lease and operate the AECC Purchased Assets and to conduct the business of the AECC license as it is now being conducted.
- 5.2 **Authorization; Enforceability:** The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by AECC are within the power of WVHC. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by WVHC, the valid and binding obligations of WVHC, enforceable against WVHC in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratoriums or similar laws at the time in effect effecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

ARTICLE VI
CERTAIN MATTERS PENDING THE CLOSING

From and after the date of this Agreement and until the Closing (unless otherwise provided herein):

- 6.1 **AECC Operations Pending Closing:** AECC shall, after the date hereof and prior to Closing, hold the AECC License in accordance with all applicable FCC requirements, rules and regulations; provided that AECC and WVHC may enter into a Time Brokerage Agreement relative to the Station.
- 6.2 **Cooperation:** AECC and WVHC will cooperate in all respects in connection with: (a) securing any non-governmental approvals, consents and waivers required of third Parties, and (b) giving notices to any governmental authority, or securing the permission, approval, determination, consent or waiver of any governmental authority, required by law in connection with the transfer of the AECC Translator to WVHC.

ARTICLE VII
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF AECC

Each and every obligation of AECC to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express condition precedent:

- 7.1 **Compliance with Agreement:** AECC shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with prior to or at the Closing.
- 7.2 **Representations and Warranties:** The representations and warranties made by AECC in this Agreement shall be true and correct in all material respects as of the closing date with the same

force and effect as though such warranties and representations were made on the Closing Date, except for changes permitted or contemplated by this Agreement.

- 7.3 **Deliveries at Closing:** AECC shall have delivered or cause to be delivered to WVHC any closing documents, each properly executed and dated as of the Closing Date as required pursuant to Section 2.4 (as applicable).
- 7.4 **Absence of Investigations and Proceedings:** Except for governmental investigations relating to the broadcast industry, generally there shall be no decree, judgment, order, or litigation at law or in equity, no arbitration proceedings, and no proceedings before or by any commission, agency or other administrative or regulatory body or authority pending to which AECC is a party and to which the AECC Translator or AECC Purchased Assets are subject, including any with respect to condemnation, zoning, use or occupancy, which would materially adversely affect the ability of WVHC to operate the AECC Translator or to use or acquire the AECC Purchased Assets in the same manner as operated and used by AECC. Without limiting the generality of the foregoing, no action or proceeding shall be pending before the FCC or any governmental authority to revoke, modify in any material respect or refuse to renew the AECC License. No suit, action or other proceeding shall be pending before any court or governmental authority in which it is sought to restrain or prohibit, or obtain any damages or other relief in connection with, this Agreement or the consummation of the transactions contemplated hereby.
- 7.5 **Governmental Consents:** The FCC Consent shall have been issued, and shall, at Closing, be in full force and effect and shall contain no provision materially adverse to WVHC. All other authorizations, consents and approvals of any kind and all governmental regulatory authorities necessary in conjunction with the consummation of the transactions contemplated by this Agreement shall have been obtained and be in full force and effect.

If any of the conditions set forth in this Article VII (with the exception of governmental consents) have not been satisfied, AECC may in its sole discretion nevertheless, elect to proceed with the consummation of the transactions contemplated hereby.

ARTICLE VIII **CONDITIONS PRECEDENT TO THE OBLIGATIONS OF WVHC**

Each and every obligation of WVHC to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express condition precedent:

- 8.1 **Compliance with Agreement:** WVHC shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with prior to or at the Closing.
- 8.2 **Representations and Warranties:** The representations and warranties made by WVHC in this Agreement shall be true and correct in all material respects as of the closing date with the same force and effect as though such warranties and representations were made on the Closing Date, except for changes permitted or contemplated by this Agreement.
- 8.3 **Deliveries at Closing:** WVHC shall have delivered or cause to be delivered to AECC any closing documents, each properly executed and dated as of the Closing Date as required pursuant to Section 2.3.

If any of the conditions set forth in this Article VIII have not been satisfied, AECC may in its sole discretion nevertheless, may elect to proceed with the consummation of the transactions contemplated hereby.

ARTICLE IX
TERMINATIONS: MISCELLANEOUS

- 9.1 **Entire Agreement; Amendment; and Waiver:** This Agreement and the documents required to be delivered pursuant hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth or referenced herein. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of any other provision of this Agreement, whether or not similar, unless expressly provided.
- 9.2 **Expenses:** Except as otherwise specifically provided herein, whether or not the transactions contemplated by this Agreement are consummated, each of the Parties shall pay the fees and expenses of its respective counsel, accountants and other experts incident to the negotiation, drafting and execution of this Agreement and consummation of the transactions contemplated hereby.
- 9.3 **Benefit; Assignment:** This Agreement shall be binding upon and endure to the benefit of and shall be enforceable by AECC and WVHC and their respective proper successors and assigns. This Agreement (and any rights, obligations or liabilities hereunder) may not be assigned or delegated in whole or in part by any party without the prior written consent of the other party. Provided, however, either Party may assign this Agreement to an entity wholly owned by such party, provided such party continues to be fully obligated hereunder.
- 9.4 **Notices:** All communications or notices required or permitted under this Agreement shall be in writing and deemed to have been given (i) on the date of personal delivery to an officer of the other party, or (ii) if sent by telecopy or facsimile machine to the number shown below, on the date of such confirmed telecopy or facsimile transmission, provided a copy is also sent by commercial overnight delivery service, prepaid, at the address and facsimile number below, unless such address or number is changed by written request:

If to AECC: Dr. Kenneth C. Hill
President
Appalachian Educational Communication Corporation
P.O. Box 2061
Bristol, Tennessee 37621-2061

If to WVHC: Bob Spencer
Manager/Member
West Virginia-Virginia Holding Company, LLC
P.O. Box 10
Mullens, WV 25882

- 9.5 **Counterparts; Headings:** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one the same Agreement. This agreement may be executed and delivered in counterpart signature pages executed and delivered by facsimile transmission, and any such counterpart executed and delivered via facsimile transmission shall be deemed an original for all intents and purposes. The Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part thereof.

- 9.6 **Judicial Interpretation:** Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by the reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agent prepared the same, it is being agreed that the agents of each party have participated in the preparation hereof.
- 9.7 **Saturdays, Sundays and Legal Holidays:** If the time period by which any acts or payments required hereunder must be performed or paid expenses on a Saturday, Sunday or Legal Holiday, then such time period shall be automatically extended to the close of business on the next regularly scheduled business day.
- 9.8 **Governing Law:** This Agreement shall be construed and interpreted according to the laws of the State of Tennessee, without regard to the conflict of law principles thereof.
- 9.9 **Cure Period:** No breach shall become a material breach unless the breaching party files to remedy such breach within (5) five days of written notice of breach.

- SIGNATURE PAGE FOLLOWS -

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

Appalachian Educational Communication Corporation

By: Kenneth C. Hester
Title: President

West Virginia - Virginia Holding Company, LLC

By: Bob Spencer
Title: member/manager