

W252CL ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the ___ day of September, 2012 ("the Effective Date"), by and between **Conner Media Corporation** ("Seller") and **Eastern Airwaves LLC** ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of FM broadcast translator station W252CL, Goldsboro, North Carolina (Facility ID No. 157060) (the "Station"); and

WHEREAS, the Station currently serves as a fill-in translator for station WGBR(AM), Goldsboro, North Carolina, which is under common control with Buyer, and operates from a tower owned by Buyer; and

WHEREAS, Seller desires to sell and assign and Buyer desires to purchase and acquire certain assets owned or held by Seller for use in the operation of the Station; and

WHEREAS, Seller has applied for and received a construction permit to relocate the transmitter site of the Station to the tower owned by the Buyer on Highway 117 South in Goldsboro, North Carolina (the "Final Site") from which WGBR broadcasts (the "CP"); and

WHEREAS, the license (the "License") issued by the Federal Communications Commission ("Commission" or "FCC") for the operation of the Station may not be assigned to Buyer without the prior written consent of the Commission;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. SALE OF ASSETS AND ASSIGNMENT OF LICENSES

At the Closing, and subject to the provisions of Paragraph 2 hereof, Seller shall sell or assign and transfer to Buyer and Buyer shall purchase from Seller the following assets ("Assets"), free and clear of liens, encumbrances, and other security interests except as specifically provided herein:

A. **Tangible Property**: Approximately 125' of 7/8" transmission line (the "Cable").

B. **Licenses and Authorizations**: All licenses, permits, permissions and other authorizations as listed in Exhibit A hereto (including without limitation the right to the use of the Station's call sign) which are issued by the Commission (the "FCC Licenses") or other governmental agencies and that are associated exclusively with the Station, and all applications for modification, extension or renewal thereof pending on the Closing Date (the "Licenses").

C. **Intangible Personal Property**: All good will, trademarks, service marks, copyrights, trade names, common law property rights and all other intangible personal property owned by Seller and intended for use by it in connection with the construction and operation of the Station (the "Intangible Property").

D. **Records**: Such of Seller's files, warranties, technical data, reports and other records relating exclusively to the Station as Buyer may reasonably request (the "Records").

2. **ASSETS EXCLUDED**

It is understood and agreed that the Assets purchased pursuant to this Agreement shall not include (a) any equipment other than the Cable, it being understood that Buyer shall provide all other equipment needed to build and operate the Station; (b) the transmitter, studio and office sites used in the operation of the Station; (c) assets held by Seller and intended for use in Seller's other broadcast stations and businesses; (d) Seller's cash, bank accounts, accounts or notes receivable and investment; and (e) Seller's tax and corporate records.

3. **PURCHASE PRICE AND TERMS**

The purchase price for the Assets being purchased by Buyer hereunder (the "Purchase Price") is Eighty-Five Thousand Dollars (\$85,000), of which Five Thousand Dollars (\$5,000) (the "Deposit") shall be paid to Seller in cash upon execution of this Agreement, and the remaining Eighty Thousand Dollars (\$80,000) shall be due and payable as provided in paragraph 14. The Purchase Price shall be allocated among the Assets as set forth in Attachment A. Both Buyer and Seller shall rely upon such allocation for all tax reporting purposes.

4. **PRORATIONS AND ADJUSTMENTS**

All taxes, prepayments (to the extent Buyer obtains the asset for which such prepayment was made), deposits and any income and operating expenses of the Station shall be prorated between Buyer and Seller as of 12:01 a.m. on the Closing Date. Insofar as feasible, proration under this paragraph shall be determined and paid on the Closing Date as an adjustment to the Purchase Price, with a final accounting of prorated items, and the sum due from one party to another pursuant to this proration paid, within sixty (60) days after the Closing Date.

5. **EXPENSES**

All expenses incurred with respect to the preparation and implementation of this Agreement and the transactions contemplated hereunder shall be paid by the party incurring the same, provided, however, that FCC processing fees for the application described in Paragraph 7 hereof, and recording fees, documentary stamp taxes, revenue stamps and all other similar charges on conveyances from Seller to Buyer, if any, will be paid one-half by Buyer and one-half by Seller.

6. **ASSUMPTION OF CERTAIN LIABILITIES**

At the Closing Buyer shall not assume responsibility for any of Seller's liens, taxes, debts, accounts payable, contracts or employment-related obligations, including severance pay, health insurance or retirement plans.

7. **FILING OF FCC APPLICATIONS**

Buyer and Seller agree to have their respective portions of FCC Form 345 prepared and submitted with the signing of this Agreement.

8. **TERMINATION**

A. If the Commission has not granted the Application within nine months after the Effective Date, then either Buyer or Seller may terminate this entire Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder, whereupon Seller shall refund to Buyer the Deposit.

B. Either party may terminate this Agreement if the other shall be in material breach hereof and if the said breach shall not have been cured within ten (10) days of written notice thereof by the party seeking to terminate, **provided, however,** that if any such breach is not reasonably susceptible of being cured within ten (10) days, then the party in breach shall have undertaken to cure the breach with all reasonable diligence and shall have cured the breach as promptly as is reasonably practicable.

C. If for any reason the Commission denies the application, Buyer will have first option to enter into an agreement for re-broadcast with Seller. Buyer may at its election assign this option to New Age Communications, Ltd.

9. **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization**: Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina, is authorized to do business in the State of North Carolina, and has full power and authority to enter into and perform this Agreement.

B. **Authorization**: The execution, delivery and performance of this Agreement have been duly authorized by the Seller, and constitute a valid and binding agreement of Seller, enforceable in accordance with its terms.

C. **No Contravention**: The execution, delivery and performance of this Agreement by Seller will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or

other instrument to which Seller or any of its principals is a party or by which it or they or any of the Assets is bound or affected.

D. **Licenses:** Exhibit A which is attached to and forms a part of this Agreement contains a complete list of all the authorizations issued by the Commission and other governmental agencies including the CP, together with any applications pending for authorizations, needed to operate the Station pursuant to the Licenses.

E. **Cable:** Seller has good and marketable title to the Cable, free and clear of all mortgages, liens, charges or encumbrances.

F. **Compliance with Laws; Litigation:** There is no judgment outstanding and, to the best of Seller's knowledge, no litigation, proceeding or investigation of any nature (other than that intended to affect substantial segments of the industry as a whole) pending or threatened which is likely to materially and adversely affect the operation of the Station, the use by Buyer of the Assets, or Seller's ability to timely consummate all of the transactions contemplated herein.

10. **COVENANTS OF SELLER**

A. **Negative:** Between the date hereof and the Closing Date or earlier termination of this Agreement, Seller will not sell, assign, lease, convey, or otherwise transfer or dispose of any of the Assets, whether now owned or hereafter acquired other than in the ordinary course of business, unless, in the case of the Cable, the same are replaced in the normal course of business by assets of at least equal quality and usefulness, nor create any lien or encumbrance upon any of the Assets.

B. **Affirmative:** Pending the Closing Date, Seller will:

(i) Give to Buyer, its counsel, engineers, accountants and other authorized representatives, reasonable access during normal business hours to all of the properties, premises, books and records pertaining to the Station for the purposes of inspection;

(ii) Promptly notify Buyer of any unusual or material developments with respect to the Station; and remove any and all violations of Commission rules or regulations which come to its attention or assume responsibility for the costs of removing same, including the payment of any fines that may be assessed for any such violation; and

(iii) Maintain the Cable in its present condition (reasonable wear and tear excepted) and operate the Station in the ordinary course.

11. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER**

Buyer makes the following representations, warranties and covenants, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization**: Buyer is a limited company duly organized, validly existing, and in good standing under the laws of the State of North Carolina, is authorized to do business in the State North Carolina, and has full power and authority to enter into and perform this Agreement.

B. **Authorization**: The execution, delivery and performance of this Agreement have been duly authorized by Buyer, and constitute a valid and binding Agreement of Buyer, enforceable in accordance with its terms.

C. **No Contravention**: The execution, delivery and performance of this Agreement by Buyer will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Buyer or any of its principals is a party or by which it or they is bound or affected.

D. **Qualification**: Buyer is fully qualified, legally and financially, to become the licensee of the Station and to timely consummate all of the transactions contemplated by this Agreement.

12. **CONTROL OF STATION**

Nothing contained in this Agreement shall be construed as giving Buyer any right to directly or indirectly supervise or direct the operation of the Station prior to the Closing. Such operation shall be the sole responsibility of Seller. Effective on the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, the operation of the Station.

13. **RISK OF LOSS**

The risk of loss or damage to any of the Assets shall be upon Seller prior to the Closing, and thereafter upon Buyer. In the event of such loss or damage prior to the Closing, Seller shall promptly replace, repair or restore any such damaged Assets as promptly as practicable and apply the proceeds of, or any claim for any loss payable under, any insurance policy with respect thereto to repair, replace, or restore such lost or damaged assets.

14. **CLOSING DATE AND PLACE**

The Closing Date and time shall be fixed by Buyer by giving at least five (5) days' written notice thereof to Seller. Unless extended by mutual written consent of Buyer and Seller, the date of Closing shall be within ten (10) days after the FCC grants the application specified in paragraph 7. The Closing shall take place at the Seller's offices or at such other location or in such other manner as the parties may mutually agree. At the Closing, Seller shall deliver to Buyer such bills of sale, assignments and other instruments of conveyance transferring title of the Assets as Buyer may reasonably request. Payment of the Purchase Price (less the Deposit) shall be made on the earlier of (a) six (6) months after the Closing Date or (b) the date upon which the Station begins broadcasting using the facilities specified in the CP.

15. **REMEDIES UPON TERMINATION OR DEFAULT**

If this Agreement is terminated due to no fault of either Buyer or Seller, then neither party shall have any liability to the other and Seller shall refund the Deposit to Buyer.

16. **INDEMNIFICATION**

Seller shall indemnify, defend, and hold Buyer harmless against all claims, demands and legal actions and will reimburse Buyer for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the material breach by Seller of any of its representations, warranties or covenants set forth herein. Buyer shall indemnify, defend and hold Seller harmless against all claims, demands and legal actions, and will reimburse Seller for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the material breach by Buyer of any of its representations, warranties or covenants set forth herein. Should any claims covered by the foregoing provisions be asserted against either party, the party being charged shall notify the other promptly and give it an opportunity to defend the same; the parties shall extend reasonable cooperation to each other in connection with such defense.

17. **SURVIVAL**

The representations, warranties, covenants, and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive the Closing hereunder for a period of six (6) months.

18. **BROKER/FINDER**

Buyer and Seller hereby mutually represent that there are no finders, consultants or brokers involved in this transaction and that neither Seller nor Buyer has agreed to pay any brokers', finders' or consultants' fees in connection with this transaction.

22. **COOPERATION**

Each party hereto agrees to perform such further acts and to execute and deliver such further documents as may be necessary or desirable to effectuate the purposes of this Agreement.

23. **TIME OF ESSENCE**

Time is of the essence with respect to every provision of this Agreement.

24. **ENTIRE AGREEMENT**

This Agreement embodies the entire agreement among the parties and supersedes all prior agreements and understandings among the parties. No attempted change, termination or waiver of any of the provisions hereof shall be binding except by a written instrument signed by the party against which the same is sought to be enforced.

25. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

EXECUTED on the day first above written.

ATTEST:

Jurisa Matlock

CONNER MEDIA, INC.

By

Ronald Benfield, Pres
Ronald Benfield, President

ATTEST:

Elizabeth J. Boyes

EASTERN AIRWAVES LLC

By

MLW
Donald Curtis, Limited Partner