

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (Agreement) is made as of this 18 day of July ²⁰¹³, 2013 by and between Conner Media Corporation (Seller) and Friends of Public Radio, Inc. (Buyer);

Recitals

- A. Seller is the holder of the license issued by the Federal Communications Commission (Commission or FCC) for FM translator Station W243CX on Channel 243, 96.5 MHz, Rose Hill, NC, Facility ID Number 157724, FCC File No. BLFT-20130115ACR (Station).
- B. Seller has agreed to sell the Station to Buyer, and Buyer has agreed to purchase the Station from Seller, on the terms and conditions set forth herein.
- C. The consummation of this Agreement is subject to the prior written approval of the FCC.

Agreement

In consideration of the foregoing, and the mutual covenants and agreements set forth below, Seller and Buyer hereby agree as follows:

- 1. Assets to be Conveyed. On the Closing Date, as defined in Section 10 hereof, Seller will assign, transfer, convey and deliver to Buyer and Buyer agrees to buy, free and clear of any liens, mortgages, claims, liabilities, assignments, conditions, exceptions, restrictions, limitations, charges, of any kind whatsoever (Claims), the license for the Station attached as Exhibit A hereof (License) and equipment and related items owned by Seller as listed in Exhibit B hereof (Property). The Property together with the License shall be referred to as the Purchased Assets.
- 2. Consideration. The Purchase Price (Purchase Price) to be paid by Buyer for the Purchased Assets shall be Fifty Thousand Dollars (\$50,000), to be paid to Seller as follows:
 - a. Five Thousand Dollars (\$5,000) upon execution of this Agreement, which shall be refunded to Buyer in the event that the Closing does not occur through no fault of Buyer; and
 - b. On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit C ("Note") in the aggregate principal amount of Forty-five Thousand Dollars (\$45,000 which shall provide among other things for payment within one year of the FCC

approval of the Assignment Application and the Modification Application, each described below, whichever is later.

3. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer that:
- a. Seller is and as of the Closing Date will be a corporation duly organized, validly existing and in good standing in _____.
 - b. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms.
 - c. Subject to Commission approval, the execution, delivery and performance of this Agreement (i) does not require the consent of any third party, and (ii) will not conflict with, result in a breach of, or constitute a default under any agreement or instrument to which Seller is a party or by which Seller is bound or under any law, judgment, order, decree, rule or regulation of any court or governmental body which is applicable to Seller or the Station.
 - d. Seller is, and as of the Closing Date will be, in material compliance with all applicable laws, including the Communications Act of 1934, as amended, and the rules and regulations of the Commission.
 - e. The Property is and on the Closing Date will be in good operating condition and repair (normal wear and tear excepted), free of any substantial defects, suitable and adequate for the uses for which it is intended and in compliance with all applicable laws and regulations.
 - f. Seller knows of no reason related to its qualifications which would disqualify it from holding the Station or assigning the License for the Station to Buyer. The License is in full force and effect, with an expiration date of December 1, 2019, and constitutes all of the authorizations issued by the FCC in connection with the Station. The License is not subject to any restriction or condition that would limit in any respect the operation of the facility authorized thereby. There are no outstanding unsatisfied FCC citations or cease and desist orders against the Station, and Seller is not aware of any pending or threatened litigation, proceeding or investigation relating to the Station, the Purchased Assets or Seller by the FCC or by any other federal, state or local governmental agency, or any conditions relating to the Station or the Purchased Assets which are in violation of any FCC rule or policy.
 - g. Seller has, and on the Closing Date will have, good and marketable title to all the Purchased Assets, free and clear of all Claims. None of the Purchased Assets are subject to any restrictions with respect to the transferability thereof.

At Closing, Buyer will receive good and marketable title to all the Purchased Assets, free and clear of all Claims of any nature whatsoever.

4. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:
 - a. Buyer is and as of the Closing Date will be a non-profit corporation duly organized, validly existing and in good standing in the State of North Carolina.
 - b. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.
 - c. Subject to obtaining the approval of the Commission and the executed lease agreement described in Section 8c. hereof, the execution, delivery and performance of this Agreement (i) does not require the consent of any third party, and (ii) will not conflict with, result in a breach of, or constitute a default under any agreement or instrument to which Buyer is a party or by which Buyer is bound or under any law, judgment, order, decree, rule or regulation of any court or governmental body which is applicable to Buyer.
 - d. Buyer is, and as of the Closing Date will be, legally, financially and technically qualified to acquire and own the Station under all applicable laws, including the Communications Act of 1934, as amended, and the rules and regulations of the Commission.
5. Assignment Application; Modification of Station. The parties shall cooperate in the prompt preparation and filing of applications with the Commission for consent to the assignment of the Station (Assignment Application) from Seller to Buyer and for minor modification of the Station's technical facilities in accordance with the technical specifications attached hereto as Exhibit D (Modification Application). The Assignment Application and the Modification Application will be filed within five (5) business days of the date of this Agreement. The parties shall cooperate in the diligent submission of any additional information requested or required by the Commission with respect to the Assignment Application or the Modification Application, and shall take all steps reasonably required for the expeditious prosecution of the Assignment Application and the Modification Application to a favorable conclusion. Seller at Seller's expense shall publish any public notice required in connection with these applications.
6. Expenses. The expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring such expense. Seller will pay the

FCC filing fees, if any, for the Assignment Application and the Modification Application.

7. Seller's Closing Conditions. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:
 - a. The Commission shall have consented to the assignment of the Station to Buyer without any condition materially adverse to Seller, and such consent shall have become a Final Order. For the purpose of this Agreement "Final Order" shall mean an action by the FCC: (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended; (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending; and (iii) as to which the time for filing any such appeal, request, or petition or the reconsideration or review by the FCC on its own motion under the Communications Act of 1934 and the Commission's rules and regulations, has expired.
 - b. All representations and warranties of Buyer made herein shall be true and correct as of the Closing Date, Buyer shall have complied in all material respects with all covenants and conditions of this Agreement, and Buyer shall have delivered to Seller a certificate of an officer of Buyer, substantially in the form attached hereto in Exhibit E, to such effect.
 - c. Buyer shall have delivered to Seller the Note substantially in the form attached as Exhibit C.
8. Buyer's Closing Conditions. All obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:
 - a. The Commission shall have consented to the assignment of the Station to Buyer without any condition materially adverse to Buyer, and such consent shall have become a Final Order.
 - b. The Commission shall have granted the Modification Application and such grant shall have become a Final Order.
 - c. Seller shall have executed and delivered to Buyer a Bill of Sale substantially in the form attached hereto in Exhibit E.
 - d. All representations and warranties of Seller made herein shall be true and correct as of the Closing Date, Seller shall have complied in all material respects with all covenants and conditions of this Agreement, and Seller shall

have delivered to Buyer a certificate of an officer of Seller, substantially in the form attached hereto in Exhibit E, to such effect.

- e. Buyer shall have secured a lease agreement executed by New Hanover County governing operation of the Station from the site specified in the Modification Application.

- 9. Termination. This Agreement may be terminated as follows (provided that the party seeking termination is not then in material breach hereunder), it being agreed that time is of the essence for purposes of all deadlines or timeframes described herein:
 - a. If conditions to Closing set forth in Section 7 of this Agreement have not been satisfied (or waived by Seller) within one (1) year of the date of this Agreement, Seller may terminate this Agreement upon written notice to the Buyer.
 - b. If the conditions of Closing set forth in Section 8 of this Agreement have not been satisfied (or waived by Buyer) within one (1) year of the date of this Agreement, Buyer may terminate this Agreement upon written notice to Seller.
 - c. If either Buyer or Seller shall be in material breach of this Agreement, and such breach is not cured after twenty (20) days' written notice, the other party, if not then in material breach and having received written notice thereof, may terminate this Agreement. In the event of a material breach of this Agreement by Buyer, Seller shall be entitled to any relief at law or in equity. In the event of a material breach of this Agreement by Seller, Buyer shall be entitled, in addition to any other remedy, to seek specific performance of this Agreement, it being understood and agreed that monetary damages alone will not be adequate to compensate Buyer for its injury. Seller hereby waives the defense in any such suit that the Buyer has an adequate remedy at law and agrees not to interpose any opposition, legal or otherwise, as to the propriety of specific performance as a remedy.
- 10. Closing. The Closing shall take place in Washington DC, at another mutually agreeable location, or by mail and/or appropriate electronic means, on a date that is no later than ten (10) days following the later of the date that the FCC's grant of the Application or the Modification Application, as the case may be, has become a Final Order, provided that Buyer at its option may waive the requirement of finality and consummate the transaction on a date no earlier than ten (10) days following the later of the FCC's grant of the Assignment Application or the Modification application, as the case may be. The term "Closing Date" shall mean the date of the Closing. Buyer and Seller shall execute the Closing documents in the form attached hereto as Exhibit E.

11. Control of the Station. Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station. Such operations shall be the sole responsibility of Seller until this Agreement is consummated. Buyer shall have reasonable access to the Station to inspect the Purchased Assets.
12. Confidentiality. Buyer and Seller agree that Buyer, Seller and their respective officers, counsel or other authorized representatives and affiliated parties, shall not disclose to any other party, and not use to the detriment of the other, any non-public information without the prior written consent of the other except to the extent required by law. Any announcement of the transaction contemplated by this Agreement shall be made by mutual agreement.
13. Indemnification.
 - a. Seller shall indemnify, defend and hold Buyer, its members, officers, affiliates, successors and assigns, harmless from and against any claim, liability, loss, damage, judgment or expense (including reasonable attorneys' fees) of any kind or nature arising out of or attributable to: (i) any material inaccuracy in any representation or breach or failure of any warranty, covenant or agreement of Seller contained herein; or (ii) any material failure by Seller to perform or observe, and agreement or condition to be performed by Seller hereunder, or (iii) any event, condition or occurrence related to the operation of the Station which occurs prior to the Closing Date.
 - b. Buyer shall indemnify, defend and hold Seller, its members, officers, affiliates, successors and assigns, harmless from and against any claim, liability, loss, damage, judgment or expense (including reasonable attorneys' fees) of any kind or nature arising out of or attributable to: (i) any material inaccuracy in any representation or breach or failure of any warranty, covenant or agreement of Buyer contained herein; or (ii) any material failure by Buyer to perform or observe, and agreement or condition to be performed by Buyer hereunder; or (iii) any event, condition or occurrence related to the operation of the Station which occurs following the Closing Date.
14. Survival. The representations and warranties of Buyer and Seller set forth above shall survive the Closing Date for a period of twelve (12) months (the Survival Period) and no claims may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to thirty (30) days following the last day of the Survival Period. In the event such notice is given, the right to indemnification with respect thereto under this provision shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

15. Entire Agreement. This Agreement, together with all schedules hereto, constitutes the entire agreement between the parties, supersedes all prior agreements, and may not be modified except in writing executed by the parties.
16. Construction and Enforcement. This Agreement shall be construed and enforced in accordance with the internal laws of the State of North Carolina.
17. Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the successors and assigns of the parties hereto. Neither Seller nor Buyer may assign its rights, interest or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.
18. Cooperation. Both before and after the Closing, Seller and Buyer shall each cooperate, take such actions and execute and deliver such documents as may be reasonably requested by the other party in order to carry out the provisions of this Agreement.
19. Severability. In the event that any of the provision of this Agreement shall be held unenforceable, the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.
20. Counterparts. This Agreement may be executed in one or more facsimile or electronic counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.
21. Transfer Fees and Taxes. Seller shall be solely responsible for any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments or fees associated with the transactions contemplated hereunder.
22. No Broker. Each party represents and warrants to the other that no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action by it.
23. Notices. All notices hereunder shall be delivered in writing and shall be deemed to have been duly given effective three (3) days after mailing if delivered and received by certified or registered mail, return receipt requested, or effective when received if delivered in person or by expedited courier service, to the following addresses or such other addresses as any party may provide by written notice:

To Seller: Conner Media Corporation
702 Hartness Road
Statesville, NC 28401
ATTN: Ronald W. Benfield, President

cc: (which shall not constitute notice):

Peter Gutmann, Esq.
Womble Carlyle Sandridge & Rice, LLP
1200 19th Street, NW, 5th Floor
Washington, DC 20036

To Buyer: Friends of Public Radio, Inc.
Station WHQR(FM)
254 North Front Street
Suite 300
Wilmington, NC 28401
ATTN: Station Manager

cc: (which shall not constitute notice):

Malcolm G. Stevenson
Schwartz, Woods & Miller
1233 20th Street, NW, Suite 610
Washington, DC 20036

[SIGNATURE PAGE FOLLOWS]

- 9 -

[SIGNATURE PAGE]

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

CONNER MEDIA CORPORATION

By: _____

Ronald W. Benfield

Its: President

FRIENDS OF PUBLIC RADIO, INC.

By: _____

Its: _____

[SIGNATURE PAGE]

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

CONNER MEDIA CORPORATION

By: _____
Ronald W. Benfield

Its: President

FRIENDS OF PUBLIC RADIO, INC.

By:  _____
David Zumbro

Its: Chair

EXHIBIT C

PROMISSORY NOTE

PROMISSORY NOTE

\$45,000

_____, 2013

FOR VALUE RECEIVED, the undersigned, FRIENDS OF PUBLIC RADIO, INC., a North Carolina non-profit corporation ("Maker"), hereby promises to pay to the order of CONNOR MEDIA CORPORATION, a North Carolina for-profit corporation ("Holder"), at 702 Hartness Road, Statesville, NC 28401, or at such other address specified by the Holder to the Maker, in lawful money of the United States of America and in immediately available funds, the principal amount of FORTY-FIVE THOUSAND DOLLARS (\$45,000).

This Note is issued pursuant to an Asset Purchase Agreement, dated as of _____, 2013, between the Maker and the Holder ("Purchase Agreement") relating to the Maker's purchase from Holder of substantially all of the assets and licenses of FM Translator Station W243CX, serving Rose Hill, North Carolina ("Station"), and is issued on the closing date of the transaction contemplated by the Purchase Agreement.

The Note shall be repaid no later than one-year following the date of FCC approval of the Assignment Application and the Modification Application (as those terms are defined in the Purchase Agreement), whichever is later.

If any of the following events or conditions (each, an "Event of Default") shall occur:

(a) Default by the Maker in the payment in full of this Note when the same becomes due and payable, which default continues uncured for a period of ten (10) business days after written notice of such default has been given by the Holder to the Maker;

(b) The Maker shall make an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation; or

(c) There shall be filed against the Maker any petition or application for relief under any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application.

then, and in any such event, the Holder may at any time, by written notice to the Maker, declare the entire amount of any balance remaining unpaid on this Note due and payable, whereupon the same shall forthwith become due and payable.

In the event of the transfer or assignment of the license issued by the Federal Communications Commission for the operation of the Station from Maker to an independent third party, any amounts due hereunder shall be due on the Closing Date of such transaction.

All notices and other communications provided for under this Note shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or

five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to the Maker, to:

Friends of Public Broadcasting, Inc.
Station WHQR(FM)
254 North Front Street
Suite 300
Wilmington, NC 28401
ATTN: Station Manager

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

Malcolm Stevenson, Esq.
Schwartz, Woods & Miller
Suite 610, The Lion Building
1233 20th Street, NW
Washington, DC 20036-7322

If to Holder, to:

Conner Media Corporation
702 Hartness Road
Statesville, NC 28401
ATTN: Ronald W. Benfield, President

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

Peter Gutmann, Esq.
Womble Carlyle Sandridge & Rice, LLP
1200 19th Street, NW, 5th Floor
Washington, DC 20036

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Note shall be governed by the laws of the State of North Carolina. The Maker hereby waives presentment, demand for payment, notice of dishonor and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first above written.

FRIENDS OF PUBLIC RADIO, INC.

By: _____
[Name, Title]