

ASSET PURCHASE AGREEMENT

This Agreement is made and entered into by and between Cap Communications, Inc. ("Purchaser"), a North Carolina corporation, having a mailing address at Post Office Box 5757, Emerywood Station, High Point, North Carolina 27262 and WSAT, Inc. ("Seller"), a North Carolina corporation, having its principal place of business at 1525 West Jake Alexander Boulevard, Salisbury, North Carolina 28144 under the following terms and conditions:

A. Seller is the sole holder of licenses from the Federal Communications Commission authorizing the operation of AM Broadcast Station WSAT with FCC Facility Identification Number 43140 (the "Station"), Salisbury, North Carolina on the frequency 1280 kHz, with power of 1.0 kW fulltime, employing a three-tower directional antenna system at night.

B. Seller desires to sell and Purchaser desires to purchase substantially all of the assets used or useful in the operation of the Station, including the FCC Licenses, and to obtain assignments of all leases, contracts, and agreements that Purchaser deems necessary for the operation of the Station.

C. The assignment of the FCC Licenses to Purchaser requires the prior consent of the FCC.

Now, therefore, based on the above and in consideration of the promises and covenants set forth in this Agreement, the parties hereby agree as follows:

1. **Definitions.** Unless otherwise specifically provided in this Agreement, the following terms shall have the meanings indicated below:

(a) "Assignment Application" means the application prepared and filed by Seller and Purchaser with the FCC requesting that agency's unconditional written consent to the assignment of the FCC Licenses to Purchaser.

(b) "FCC" means the Federal Communications Commission.

(c) "Contracts" means all of Seller's contracts, leases, or other agreements deemed by Purchaser to be necessary to the operation of the Station or leases, contracts, or other agreements otherwise associated with the Station or the Assets as set forth in Exhibit A.

(d) "FCC Licenses" means the licenses from the Federal Communications Commission authorizing the operation of the Station on the frequency 1280 kHz, with effective radiated power of 1.0 kW fulltime (directional antenna at night) and auxiliary licenses useful in connection therewith, as listed in Exhibit B.

(e) "Final Order" means action by the FCC or its delegated authority granting its consent and approval to the Assignment Application, which action is

not reversed, stayed, enjoined, or set aside, and with respect to which no timely requests or petitions for stay, reconsideration, review, rehearing, or notice of appeal are pending, and as to which the time for filing any such request, petition, or notice of appeal, or for review by the FCC on its own motion, has expired.

2. **Assets to be Sold.** Subject to the terms of this Agreement, Seller hereby agrees to sell, convey, transfer, assign, and deliver to Purchaser or Purchaser's designee and Purchaser hereby agrees to acquire and accept from Seller all (except as specifically excluded in this Section 2) of the assets relating to the operation of the Station (the "Assets"). The Assets include:

(a) All licenses, permits, and authorizations relating to the use and operation of the Station, including, without limitation, the FCC Licenses, subject to prior FCC consent to the assignment of the FCC Licenses to Purchaser;

(b) All fixtures, equipment, furniture, fixed assets, and other tangible assets relating to the use and operation of the Station, an inventory of which is attached as Exhibit C, and any additions thereto or substitutions therefor;

(c) All of Seller's goodwill;

(d) All of Seller's Contracts;

(e) All of Seller's right, title, and interest in and to the use of the call letters WSAT and any and all trademarks, trade names, service marks, copyrights, promotional materials, logos and other intangible assets relating to the use and operation of the Station;

(f) All web sites and web pages, and all associated software and programs, and all other Internet related data, information, and intellectual property, including, without limitation, domain names, web addresses, and e-mail accounts;

(g) All telephone numbers, files, and records relating to the business and operation of the Station, including, without limitation, all items in Seller's possession in the Station's FCC Public Inspection File;

(h) All other permits, licenses, or authorizations, if any, issued by any regulatory agency that are used or are useful in the operation of the Station; and

(i) All time sales arrangements in effect on the date of Closing that are for cash or trade at rates consistent with the normal and customary practices of the Station, which Purchaser agrees to assume, and which Purchaser agrees to perform following the Closing.

Seller's accounts receivable and cash are specifically excluded from this sale and will not be conveyed to Purchaser. For this purpose, "accounts receivable" means any accounts of Seller existing as of the close of business on the day prior to the date of Closing (as

provided in Section 13) that reflect invoices mailed or otherwise delivered to advertisers (or their representatives) as of the day before the date of Closing for advertising time/spots that aired on the Station on or before the day before the date of Closing. Purchaser will assume the right to collect all other amounts (or goods or services) owing with respect to advertising aired on the Station before or after the Closing. As provided in Section 27 hereof, Purchaser will collect Seller's accounts receivable and remit them to Seller at the end of the Collection Period.

3. **Assumption of Liabilities.** Except for those liabilities expressly assumed in Section 2 of this Agreement, Purchaser is not assuming any obligation to pay for any of the debts, liabilities, or obligations of Seller, whether known or unknown, now or hereafter existing, accrued or contingent, or arising out of or related to the Assets, Seller's business, or the consummation of the transactions contemplated in this Agreement.

4. **Purchase Price.** The purchase price ("Purchase Price") for all the Assets shall be THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000), which shall be paid by Purchaser to Seller in cash at the Closing, as provided in Section 13 below. The allocation of the Purchase Price is set forth in Exhibit D. Seller acknowledges that it has received from Purchaser TWENTY THOUSAND DOLLARS (\$20,000) as an installment deposit toward the Purchase Price (the "Deposit"). Seller will hold the Deposit pending the Closing, as provided in Section 13. If the purchase of the Assets closes as provided in Section 13, the Deposit will be applied to the cash payment of the Purchase Price. In the event the Closing does not occur as provided in Section 13 as a result of Purchaser's breach of its obligations under this Agreement, Seller shall retain the Deposit as liquidated damages caused by Purchaser's breach. In the event the Closing does not or will not occur for any other reason, including, without limitation, the failure of any condition provided in Sections 10 or 11 below, Seller shall deliver the Deposit in full to Purchaser within five (5) days after Purchaser's written request for the return of the Deposit.

5. **Application for FCC Approval.** Seller and Purchaser have filed with the FCC an Assignment Application based on the letter of intent between the parties. Within 5 days following the execution of this Agreement, Seller and Purchaser amend the pending application to furnish a copy of this agreement and will take all steps necessary for the expeditious and successful prosecution of the Assignment Application. The parties agree that they shall promptly and timely file any other amendments necessary to obtain a grant of the Assignment Application and/or other information required by the FCC. Unless finality has been waived by the Purchaser pursuant to Section 13 of this Agreement, in the event that the FCC fails to issue an Order granting its consent to the assignment of the FCC Licenses on or before June 30, 2002, and that order becomes a Final Order by August 15, 2002, either Seller or Purchaser may terminate this Agreement upon five (5) days' written notice to the other; *provided, however*, that the party giving notice of termination may not be in default under the terms of this Agreement. In the event of such termination, Seller shall return the Deposit (provided in Section 4) to Purchaser within five (5) days after the effective date of such termination.

6. **Representations and Warranties of Seller.** Seller makes the following

representations and warranties, each of which shall survive the Closing:

(a) Seller is now and at the Closing will be a corporation duly organized and in good standing under the laws of North Carolina, qualified to operate the Station under the laws of North Carolina, and under the FCC rules and regulations. The execution and performance of the Agreement and the compliance with its provisions by Seller on the date of Closing will not conflict with or result in any breach of any of the terms, conditions, or provisions of any agreement, indenture, mortgage or other instrument to which Seller is a party or by which it is bound. Now and at the Closing, Seller will have full and complete corporate authority to enter into this Agreement and execute all instruments incident hereto.

(b) At the Closing, Seller shall have good and marketable title to all of the Assets, and Purchaser shall have the quiet use, enjoyment, and possession of the Assets. All of the Assets shall be free and clear of all liens, encumbrances, claims, and security instruments.

(c) The Contracts listed in Exhibit A and to be assigned to Purchaser are freely assignable, or if consent of the contracting party to the assignment is required, Seller will obtain such consent prior to the Closing.

(d) On the date of the Closing, Seller shall have timely filed all tax returns and paid or made arrangement for payment of all taxes, assessments, excises, and fees that are required to be paid by Seller arising out of or related to the ownership or operation of the Station or the Assets prior to the date of the Closing, including, without limitation, the FCC Annual Regulatory Fee. The parties understand that current year *ad valorem* real estate and personal property taxes will be prorated between the parties at the Closing.

(e) At the Closing, all of the Assets will be in working order and will be consistent with the FCC Licenses, and to Seller's knowledge, the Assets and the Station and its operations shall be in material compliance with the FCC's rules, regulations, and policies. This warranty shall expire upon the Closing. Seller shall afford Buyer a full opportunity to inspect the Assets and provide Seller with a list of any Assets that require repair. Seller shall repair or replace these Assets to Buyer's reasonable satisfaction prior to the Closing, or if Seller is unwilling to do so, Purchaser may terminate this Agreement. In the event of such termination of this Agreement, Seller shall return the Deposit to Purchaser within five (5) days after the effective date of such termination.

(f) There is no litigation, proceeding, or governmental investigation pending or, to the best of Seller's knowledge, threatened in any court, arbitration board, administrative agency, or tribunal against or relating to Seller or its principals that would materially affect the Station or the Assets or would prevent or adversely affect the consummation of this Agreement or the sale of the Assets by Seller, nor does Seller know of or have any reasonable ground to know of, any basis for any such litigation, proceeding, or investigation. The execution and performance of this Agreement by Seller will not result in the default by Seller under the terms of any judgment, order, writ, injunction, decree, rule or regulation of any applicable court or administrative agency that could have a

material adverse effect on the Assets or the operation of the Station.

- (g) Seller knows of no reason, nor has any reason to believe, the FCC Licenses will not be renewed in the ordinary course.
- (h) Seller has filed all reports and other documents required by the FCC and its rules.
- (i) Seller will have no trade or barter agreements in effect on the date of the Closing.
- (j) The FCC Licenses shall be in full force and effect as of the date of Closing.
- (k) As of the Closing, (i) Seller will be in compliance with all federal, state, and local laws, ordinances, regulations and orders relating to the protection of the environment and applicable to any real property that is associated with, used by, or in any way connected to the Station and/or to any real property to be leased to Purchaser that is associated with, used by, or in any way connected to the Station (the "Real Property"); (ii) the Real Property conforms in all respects with applicable use, zoning, environmental and other laws, ordinances and regulations; (iii) neither Seller, and to the best of its knowledge, none of the prior owners of the Real Property, have ever generated, stored, transported, handled, disposed of, or released any hazardous substance or solid waste on the Real Property in a manner that would give rise to any liability under any statute or governmental regulation and the Real Property is not a Federal or North Carolina "listed site"; and (iv) Seller is not a "potentially responsible party" as defined in the Comprehensive Environmental Response, Comprehensive and Liability Act of 1980, as amended ("CERCLA") or under any comparable state or local statute, in connection with any past or present waste disposal practices undertaken by it or on its behalf on the Real Property. Notwithstanding anything in this Section 6 to the contrary, in the event Seller is not able to give the warranties set forth in this Section 6(k) as of the Closing date, Purchaser shall have the right, at its option, to terminate this Agreement and Seller shall return the Deposit to Purchaser within five (5) days after receipt of notice of such termination. Seller agrees to protect, defend, and indemnify Purchaser and its officers, directors and stockholders and hold them harmless from any and all losses, claims, liabilities, obligations, costs and damages (including, without limitation, interest, penalties and reasonable legal fees) incurred by them by reason of the incorrectness or breach of any of Seller's warranties and representations contained in this Section 6(k).
- (l) Between the date of this Agreement and the date of Closing, the Assets shall be maintained in operating condition and repair except to the extent of normal wear and tear. Seller shall not lease, sell, or dispose of any of the Assets except for Assets consumed or disposed of in the ordinary course of business or in connection with replacement of such Assets with assets of similar value and utility.
- (m) Seller shall not change the call letters of the Station.
- (n) Seller shall not change the Station's frequency or make any material changes in the Station's studio or other structures, except to the extent required by applicable law.
- (o) Seller shall not make any material changes in the broadcast hours of the Station, or make any other material changes in the Station's programming policies, except in the ordinary course.
- (p) Seller shall not make any material changes in the Station's advertising practices or rate card, except in the ordinary course.
- (q) Seller shall conduct the Station's operations in accordance with FCC rules and regulations through the date of the Closing. Seller will operate the Station in the ordinary course and will use its best efforts to preserve its audience and maintain the good will of the Station and its operations.

(r) No representation or warranty of Seller as set forth in this Agreement, and no schedule, certificate, or exhibit that is attached to this Agreement, contains any untrue statement of a material fact or omits a material fact that would make any statement in this Agreement misleading.

7. **Purchaser's Warranties and Representations.** Purchaser hereby makes the following warranties and representations, each of which shall survive the Closing:

(a) Purchaser is now and at the Closing will be a corporation duly organized under the laws of the State of North Carolina, and will be qualified to operate the Station under the laws of the State of North Carolina, and under the FCC rules and regulations.

(b) At the Closing Purchaser is and will be financially, legally, technically, and otherwise qualified under all applicable statutes, rules and policies, to become the licensee of the Station.

(c) There is no litigation, proceeding, or governmental investigation pending or, to the best of Purchaser's knowledge, threatened in any court, arbitration board, administrative agency, or tribunal against or relating to Purchaser or its principals that would prevent or materially affect the consummation of the purchase of the Assets by Purchaser.

(d) No representation or warranty of Purchaser as set forth in this Agreement contains any untrue statement of a material fact or omits a material fact that would make any statement in this Agreement misleading.

8. **Insurance and Risk of Loss.** Seller shall maintain fire and extended coverage insurance on the Station and the Assets, for the full replacement cost of the Assets, until the transfer of the Assets to Purchaser at the Closing. The risk of any loss, damage, or destruction to any of the Assets as a result of fire or other casualty or cause shall be born by Seller at all times prior to the transfer of the Assets at the Closing. Upon the occurrence of any such loss, damage, or destruction to any of the Assets prior to the Closing, Seller shall immediately notify Purchaser in writing of the loss, damage, or destruction, stating with particularity the extent of loss or damage incurred, the cause thereof if known, and the extent to which restoration, replacement, and repair of the Assets lost, damaged, or destroyed will be reimbursed under any insurance policy with respect thereto. Upon receipt of such notice, Purchaser shall have the option to either terminate this Agreement, or accept the insurance proceeds and proceed to Closing. In the event of such termination of this Agreement, Seller shall return the Deposit to Purchaser within five (5) days after the effective date of such termination.

9. **Specific Performance.** The parties to this Agreement recognize that the Assets to which this Agreement relates are unique. Accordingly, in the event Seller should refuse to perform its obligations under this Agreement, monetary damages will not be adequate. Purchaser shall therefore be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement.

10. **Conditions Precedent to Purchaser's Obligation to Close.** The obligation of Purchaser to complete the Closing under this Agreement is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by Purchaser:

(a) The FCC shall have released an Order granting the Assignment

Application without conditions materially adverse to the Station or the Purchaser and the Order shall have become a Final Order by August 15, 2002, unless Purchaser has waived finality pursuant to Section 13 of this Agreement.

(b) Purchaser shall have determined that the results of its "due diligence" investigation of Seller, the Assets, and the Station support the purchase of the Assets on the terms set forth in this Agreement.

(c) Seller shall have delivered to Purchaser at the Closing a certificate signed by the President of Seller and dated as of the Closing to the effect that the representations and warranties made by Seller herein shall be true and correct on the Closing date as if made on the date of the Closing.

(d) Seller shall furnish to Purchaser resolutions of the Board of Directors and shareholders of Seller, approving the transactions contemplated by this Agreement, and certified by the Secretary of Seller.

(e) Seller shall deliver to Purchaser on the date of the Closing a copy of each instrument of transfer of the Assets and each instrument of authorization for the operation of the Station, which instruments shall contain no materially adverse condition or restriction, and under which instruments the FCC's rules shall permit the operation of the Station.

(f) Purchaser shall have assumed all Contracts with any necessary consents (or Purchaser has entered into new leases or contracts to replace and supersede the Contracts).

(g) Purchaser's lender, Lexington State Bank, shall have approved all closing documents and funded a loan to Purchaser for the purchase of Station as described in an Agreement/Commitment letter dated March 14, 2002, addressed to Purchaser's president, Charles A. Poole and his wife, Helen D. Poole.

(h) Seller and Purchaser shall have executed a Ground Lease which is incorporated by reference herein in the form of Exhibit E for the Real Estate on which the Station's studio, transmitter, towers and ground system are located, for a term of 20 years. Seller shall permit the assignment of the Ground Lease to Lexington State Bank to be used a security for the studio and transmitter building. The Ground Lease shall contain the following term: "In the event on any occasions hereafter Tenant seeks to mortgage (its) Leasehold Estate, Landlord agrees to amend this Lease from time to time to the extent reasonably requested by an Institutional Investor proposing to make Tenant a loan secured by a first lien upon Tenant's Leasehold Estate, provided that such proposed amendments do not materially and adversely affect the rights of Landlord or (its) interest in the Demised Premises or shall not impair Landlord's ability to market the property or to mortgage same. All reasonable expenses incurred by Landlord in connection with any such amendment shall be paid by Tenant." The Ground Lease shall provide that the Real Estate shall be used only as a site for communications facilities.

In the event this Agreement is terminated as a result of any failure of any condition set forth in this Section 10, Seller shall return the Deposit to Purchaser within five (5) days after the effective date of such termination.

11. **Conditions Precedent to Seller's Obligation to Close.** The obligation of Seller to complete the Closing under this Agreement is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by Seller:

(a) The FCC shall have released an Order granting the Assignment Application without conditions materially adverse to the Station or the Seller and the Order shall have become a Final Order by August 15, 2002, unless Purchaser has waived finality pursuant to Section 13 of this Agreement.

(b) Purchaser shall have delivered to Seller at the Closing a certificate signed by the President of Purchaser and dated as of the Closing to the effect that the representations and warranties made by Purchaser herein shall be true and correct on the Closing Date as if made on the Closing Date.

(c) Purchaser shall furnish to Seller resolutions of the Board of Directors of Purchaser, approving the transactions contemplated by this Agreement and certified by the Secretary of Purchaser.

(d) Purchaser shall have delivered the balance of the Purchase Price to Seller in accordance with the provisions of Section 4 of this Agreement.

In the event this Agreement is terminated as a result of any failure of any condition set forth in this Section 11, Seller shall return the Deposit to Purchaser within five (5) days after the effective date of such termination.

12. **Employees.** Seller acknowledges that Purchaser has no obligation to hire or maintain any present employees of Seller. Seller shall be responsible to pay all of Seller's employees up through the Closing date for all benefits accrued through the Closing date including, without limitation, vacation, bonuses, health insurance, and expense reimbursements.

13. **Closing.** Within ten (10) days after the date the FCC's consent to the assignment of the FCC Licenses to Purchaser has become a Final Order, a closing (the "Closing") shall take place at the offices of Kluttz, Reamer, Blankenship, Hayes & Randolph, L.L.P., 131 North Main Street, Salisbury, North Carolina 28145 or such other place as shall be mutually agreeable to Seller and Purchaser, or by exchange of documents by courier and facsimile; *provided, however*, that Purchaser may, at its option, elect to waive finality, in which event the Closing shall be held at any time after the FCC has granted the application for its consent upon fifteen (15) days' written notice by Purchaser to Seller. At the Closing Purchaser will deliver to Seller the cash payment representing the Purchase Price in immediately available funds (less the Deposit, which shall be applied to the Purchase Price) and Seller will deliver all bills of sale, and other documents necessary or appropriate for the transfer of the Assets to Purchaser. Seller shall execute and deliver a valid and binding lease in the form of Exhibit E satisfactory to Purchaser covering all the Real Estate used or useful in the operation of the Station (studio and transmitter site) for a monthly rental equal to one half of the annual tax due to the City of

Salisbury and the County of Rowan. In addition, Seller will execute and deliver a written assignment of all Contracts, which Purchaser shall assume.

14. **Expenses.** Except as provided herein, Purchaser and Seller shall be responsible for their own costs and expenses incurred by them in connection with this transaction. Purchaser and Seller shall divide equally all attorney fees and FCC filing fees incurred in connection with this transaction. Seller shall pay all taxes, if any, associated with the transaction.

15. **Control of Station.** During the time period between the execution of this Agreement and the date of the Closing, the Station shall remain solely under the control of Seller. Purchaser shall have the right to inspect the premises and to inspect the books and records pertaining to the Station at reasonable times and under reasonable circumstance for the purpose of ensuring Seller's compliance with its warranties and representations under this Agreement.

16. **Indemnification.**

(a) Seller covenants to protect, defend, and indemnify Purchaser and hold it harmless from any and all losses, claims, liabilities, obligations, costs and damages (including, without limitation, interest, penalties, reasonable legal fees and reasonable accounting fees) ("Damages"), resulting from or relating to liabilities or obligations (i) of the Station or associated with the Assets that are not assumed by Purchaser under this Agreement, or if assumed by Purchaser arising on or before Closing, (ii) arising with respect to events occurring on or before Closing, or (iii) incurred as a result of any misrepresentation or breach of any warranty or of any covenants or agreements by Seller made or contained in this Agreement.

(b) Purchaser hereby covenants to protect, defend, and indemnify Seller and hold it harmless from any and all losses, claims, liabilities, obligations, costs and damages (including, without limitation, interest, penalties, reasonable legal fees and reasonable accounting fees) ("Damages"), resulting from or relating to liabilities or obligations (i) of the Station or associated with the Assets to the extent assumed by Purchaser under this Agreement, (ii) arising with respect to events occurring after Closing with respect to the ownership or operation of the Station, or (iii) incurred as a result of any misrepresentation or breach of any warranty or of any covenants or agreements by Purchaser made or contained in this Agreement.

17. **Public Notice.** Seller shall not issue a news release or other announcement regarding this Agreement or the transaction contemplated under this Agreement (except for such notices as are required by section 73.3580 of the FCC's rules) without coordinating with, and receiving the approval of, Purchaser with respect to the information to be disclosed and the timing of such disclosure.

18. **Successors and Assigns.** This Agreement, and all representations, warranties, and covenants contained herein, shall be binding upon and shall inure to the benefit of Purchaser and its successors and assigns and upon Seller and their respective

successors and assigns.

19. **Captions.** Section captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

20. **Counterparts.** This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

21. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter contained herein and supersedes all prior understandings or agreements.

22. **Waiver.** The waiver by either party to this Agreement of any breach of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any breach of any other provision of this Agreement.

23. **Survival of Representations, Warranties, and Covenants.** All representations, warranties, and covenants set forth in this Agreement shall survive the Closing and shall inure to the benefit of and be enforceable by each party.

24. **Severability.** If any provision of this Agreement is held unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect.

25. **Governing Law.** This Agreement shall be governed in all respects by the laws of the State of North Carolina.

26. **Notices.** Any notice required by this Agreement shall be (a) sent by personal service, or (b) deposited in U.S. first-class mail, return receipt requested, to:

If to Seller: WSAT, Inc.
1525 West Jake Alexander Boulevard
Salisbury, NC 28144
Attention: Mr. Charles H. Welch

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

Glenn S. Hayes, Esq.
Kluttz, Reamer, Blankenship, Hayes & Randolph, L.L.P.
131 North Main Street
P.O. Drawer 1617
Salisbury, NC 28145-1617

If to Purchaser:

Cap Communications, Inc.
P. O. Box 5757
Emerywood Station
High Point, NC 27262
Attention: Mr. Charles A. Poole

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

Gilbert L. Gates, Esq.
Keziah, Gates & Samet, LLP
300 North Main Street
Suite 400
Post Office Box 2608

High Point, NC 27261-2608 and

Gary S. Smithwick, Esq.
Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W.
Suite 301
Washington, DC 20016

27. **Collection of Accounts Receivable.** The parties hereto acknowledge that Seller's cash accounts receivable derived from the operation of the Station prior to the Closing Date are not among the Subject Assets being transferred to Purchaser pursuant to the terms hereof. However, for a period beginning on the Closing Date and ending 120 days following the Closing Date (the "Collection Period"), Purchaser shall use reasonable efforts (limited to including such cash accounts receivable in the Station's billing statements and accepting payments) to collect such cash accounts receivable. In the event that Purchaser and the Seller each has an account receivable of the same debtor, any amounts received by Purchaser from such debtor shall be applied first as a payment on the Seller's account receivable except to the extent the debtor disputes the validity of such Seller account receivable. Purchaser shall, within five (5) business days after the expiration of each fifteen (15) day period during the Collection Period, remit to Seller all amounts collected by Purchaser hereunder, net of any sales commissions, agency or national representative fees or similar amounts reasonably determined by Purchaser to be payable in connection with cash accounts receivable collected on the Seller's behalf. Collection of said cash accounts receivable shall be the sole responsibility of Seller upon the expiration of the Collection Period.

In witness whereof, Purchaser and Seller have executed this Agreement on the dates set forth below opposite their respective names.

WSAT, INC.

Date: 4/30/02

By: Charles F. Welch
President

CAP COMMUNICATIONS, INC.

Date: 4/30/02

By: [Signature]
President