

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is entered into as of November ____, 2001, by and between Rodwell LLC, d/b/a WCCA FM, and NanBecI LLC, d/b/a WLTT FM (the "Sellers"), both North Carolina limited liability companies, and Gary E. Burns, as an individual, or a corporation to be formed by him ("Buyer") (together, the "Parties" and, individually, a "Party").

WITNESSETH:

WHEREAS Seller is the owner, operator, and licensee of broadcast stations WCCA FM 106.3 MHz and WLTT FM 103.7 MHz, which operate at Shallotte, NC (The Stations);

WHEREAS Buyer desires to acquire the assets and rights used, useful, or intended to be used in the business and operation of the Stations, and to secure an assignment of the licenses and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of the Stations (the "Licenses"); and

WHEREAS Seller desires to sell, assign, transfer, and convey the same to Buyer pursuant to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be bound hereby, agree as follows:

1. **DEFINITIONS:** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) **"Closing Date"** or **"Closing"** means a date to be designated by Buyer which shall not be later than the fifteenth (15th) business day after the FCC grant of authority for the assignment of the Licenses becomes a Final Order, as herein defined; provided, however, that Buyer shall have the option to close after FCC authority has been granted, but prior to the date that such authority becomes a Final Order, in which case, the date specified in this subsection 1 (a) shall be deemed to have occurred as of the effective date of Buyer's election of such option but not earlier than ten (10) business days after the date on which Seller is notified by Buyer of Buyer's election of such option.

(b) **"Closing Place"** means a mutually convenient place designated by Buyer and Seller.

(c) **"Final Order"** means an order of the FCC granting its consent and approval to the assignment of the Licenses from Seller to Buyer, which is no longer subject to rehearing, reconsideration, or review by the FCC, or to a request for stay, appeal, or review by any court.

2. SALE AND TRANSFER OF ASSETS:

(a) On the Closing Date at the Closing Place, Seller shall execute all instruments, bills of sale, or other documents necessary to sell, transfer, assign, convey and deliver to Buyer good and marketable title to all of the tangible and intangible assets and rights of every kind and nature, real, personal and mixed, now or hereafter owned or held by Seller and used or useful in the business and operation of the Stations, wherever located, free and clear of all liens, encumbrances, taxes, claims, options, liabilities, commitments, charges, restrictions, and other obligations of whatsoever nature, including but not limited to the following (the "Assets"):

(i) The Licenses, together with any and all other related authorizations, including, without limitation, those listed in Exhibit A hereto, and all applications for modification, extension or renewal thereof pending on the Closing Date;

(ii) All equipment and tangible personal property, including, without limitation, those listed on Exhibit B hereto, together with any replacements, improvements or additions thereto made between the date hereof and the Closing Date (the "Personal Property");

(iii) All intangibles owned or held by Seller, including the goodwill of the Station; the Stations call sign; and all trade names, trademarks, and service marks associated with the Stations, and all transferable computer software licenses, magnetic media, electronic data processing files, systems and programs including, without limitation, those listed in Exhibit C hereto (the "Intangible Property");

(iv) The public inspection file of the Stations, together with a list of any required documents that are missing and unobtainable at time of Closing as identified in Exhibit D hereto, which also includes a description of Seller's efforts to replace the missing documents as set forth in Section 8(e) below;

(v) The program, operating, and maintenance logs of the Stations:

(vi) All account books and other records of the Stations:

(vii) The sales agreements; trade agreements and other contracts, agreements and leases listed or described in Exhibit E hereto, together with all other contracts, leases, agreements, instruments, commitments and obligations related to the Stations which are made between the date hereof and the Closing Date, as permitted under the terms of this Agreement, on the condition that Buyer expressly agrees in writing to assume such contracts, leases, agreements, instruments, commitments and obligations (the "Contracts") and:

(viii) Seller's leasehold estate in all real estate leased by Seller as lessee and used in the operation of the Station, and, to the extent

owned by Seller, all leasehold improvements, fixtures, and rights appurtenant or appertaining thereto (the "Leased Premises"). The legal description and record owners of such Leased Premises are set forth in Exhibit F hereto. Such Leased Premises shall include but not be limited to Seller's leasehold estate in the buildings, tower and associated real estate located in Shallotte, North Carolina that are currently used by Seller and contemplated to be used by the seller for the stations studios and links to the transmitter sites for the Stations.

(ix) All real estate owned and used by Seller for the purpose of transmitting the signal of the stations and all personal property used and useful at the transmitter sites of the stations. The legal description of such property along with any drawings and leases for portions of said property to third parties are set forth in Exhibit G hereto.

(b) Except as otherwise noted herein the Assets sold under this Agreement shall pass in good condition and in compliance with all rules and regulations of the FCC and within the manufactures specifications. The Licenses are in full force and in effect on the Closing Date and that the Station's operation on the Closing Date conforms in all material respects to such Licenses.

(c) It is understood and agreed that cash in hand or in accounts in any savings institutions, and accounts receivable shall not be among the Assets purchased pursuant to this Asset Purchase Agreement.

(d) Buyer shall not assume any of Seller's liabilities except for liabilities, which accrue after the Closing Date under the Contracts.

3. **PURCHASE PRICE, METHOD OF PAYMENT. AND TERMS:** The total consideration to be paid by Buyer to Seller pursuant to this Agreement is ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00) (the "Purchase Price"). Said consideration shall be paid as follows:

(a) Simultaneous with the execution of this Asset Purchase Agreement. Buyer shall deposit with Faison & Gillespie as Escrow Agent, cash or cash equivalent the sum of sixty thousand dollars (\$60,000.00), pending Closing. The disposition of such Escrow Deposit shall be governed by the terms of an escrow agreement executed simultaneously herewith and attached hereto as Exhibit H (the "Escrow Agreement"). Should the FCC not grant approval for the assignment of the Licenses to Buyer within nine (9) months after the date of filing with the FCC of the requisite application to secure consent for the assignment of the Licenses to Buyer (the "Assignment Application"), and provided during that time that Buyer is not in default and that the failure of the FCC to act on the Assignment Application is not related to the qualifications of Buyer to be an FCC licensee, then the Escrow Deposit, together with any interest accrued thereon, shall at Buyer's election be returned to Buyer and there shall be no further obligations whatsoever between Buyer and Seller. Buyer shall not have the right to seek termination of the Agreement if approval is obtained prior to Buyer's election to terminate this Agreement. If FCC approval is not granted

within twelve (12) months, then either Seller or Buyer shall have the right to terminate this Agreement.

(b) On the Closing Date at the Closing Place,

(1) if the Escrow Deposit is in the form of cash, the Seller and Buyer shall instruct the Escrow Agent to release the Escrow Deposit to Seller and Buyer shall deliver to Seller in immediately available funds the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000), as adjusted pursuant to Section 4 and to reflect any prorations made on the Closing Date pursuant to Section 16, or

(2) if the Escrow Deposit is in the form of an irrevocable letter of credit or other cash equivalent, the Seller and Buyer shall instruct the Escrow Agent to return the Escrow Deposit to Buyer and Buyer shall deliver to Seller in immediately available funds the sum of THREE HUNDRED SIXTY THOUSAND DOLLARS (\$360,000), as adjusted pursuant to Section 4 and to reflect any prorations made on the Closing Date pursuant to Section 16.

(c) At Closing, Buyer shall execute in favor of Seller an installment promissory note (the "Promissory Note"), in a form to be agreed upon by Buyer and Seller prior to Closing, in the amount of EIGHT HUNDRED FOURTY THOUSAND DOLLARS (\$840,000.00) to be amortized over a period often (10) years at an annual interest rate of eight percent (8%). Payments on the promissory note will commence 90 days after closing and will consist of interest only for months four (4) through ten (10). Payments of interest and principal will begin, on a monthly basis starting on the first day of the eleventh month after closing, with a final balloon payment of the total remaining balance on a date sixty (60) months after Closing. The Promissory Note shall be secured, at all times, by (i) a security agreement in a form agreed upon by Buyer and Seller prior to Closing (the "Security Agreement") constituting a lien in favor of Seller on the Assets (save for the Licenses, but inclusive of proceeds from any subsequent assignment of the Licenses); and by the stock of the corporation set up to own the assets ("Corporation") and the personal guarantee of Gary E. Burns. Buyer's obligations under the Promissory Note and the Security Agreement may, at Buyer's sole option, be subordinate and junior, both with respect to payment and priority of lien, to Buyer's obligations to an institutional lender, incurred in connection with Buyer's acquisition of the Station. Seller shall execute such documents as Buyer's institutional lender may from time to time request to confirm such subordination, and shall place a conspicuous legend in such form as Buyer's institutional lender shall specify on the Promissory Note and Security Agreement to evidence subordination.

(d) Seller agrees to credit Buyer Four Thousand Dollars (\$4,000.00) toward the purchase price to offset the cost of upfitting a new office space.

4. **CONSENT OF THE FCC:** It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC without conditions materially adverse to Buyer. Upon the execution of this Agreement, Seller and Buyer will, at their mutual expense, proceed to

expeditiously prepare and file with the FCC the Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to tender the Assignment Application to the FCC within fifteen (15) days of the date of execution of this Agreement, and thereafter to prosecute said application with diligence, and to cooperate with each other and to use their best efforts to obtain the requisite consent and approval promptly, and to carry out the provisions of this Agreement. At the time the Assignment Application is filed, Buyer shall pay the FCC filing fee of approximately \$755.00 DOLLARS (\$755.00), and shall deduct half of said fee from the payments due to Seller at Closing.

5. **LEGAL NOTICE:** Upon the filing of the license Assignment Application, Seller shall be responsible for, and shall take the necessary steps, to provide such legal notice concerning the filing as is required by the FCC's rules and to place such Assignment Application and related materials in the Station's local public records file promptly after the Assignment Application and related materials have been filed with the FCC.

6. **POSSESSION AND CONTROL OF STATION:** ACCESS: Between the date of this Agreement and the Closing Date, Buyer shall not control the operation of the Station, but such operation shall be the responsibility of Seller. Notwithstanding the foregoing, Seller and Buyer hereby acknowledge that, as of the date of this Agreement, they have entered into a Time Brokerage Agreement, a copy of which is attached hereto as Exhibit I, whereby Buyer shall provide programming and marketing services to the Station until the Closing Date. Buyer or Buyer's representative shall, however, between the date hereof and the Closing Date, be entitled to reasonable inspection of the Leased Premises and Assets, and to notice by Seller of any unusual operating problems or developments, with the purpose that an uninterrupted and efficient transfer of ownership may be accomplished. It is further understood and agreed that, 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.

7. **SECTION 73.1150 STATEMENT:** In connection with this Agreement, or with any other agreements entered into with respect to the sale of the Station from Seller to Buyer, Seller has retained no rights of reversion of the Licenses, no right to the reassignment of the Licenses in the future, and has not reserved the right to use the facilities of the Station in the future for any reason whatsoever.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES AND COVENANTS:** Seller represents warrants and covenants as follows:

(a) **Existence and Power.** Seller is two limited liability companies both duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, with all requisite power and authority under its articles of organization and Operating Agreement to enter into and perform this Agreement and the transactions contemplated hereby and is duly qualified to do business and is in good standing in each jurisdiction where the nature of Seller's business as now conducted makes such qualification necessary.

(b) Binding Agreement. The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary corporate action and copies of the authorizing resolutions, certified by Seller's Managing Members, shall be delivered to Buyer at Closing. This Agreement has been duly executed and delivered to Buyer and constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

(c) No Inconsistency or Conflict. Subject to the receipt of all requisite FCC and other governmental or other approvals, authorizations and consents, none of (i) the execution, delivery and performance of this Agreement by Seller, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) Seller's compliance with the terms and conditions thereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under or violate Seller's articles of organization or Operating Agreement, any agreement, lease or other legal instrument to which Seller is a party or by which Seller is legally bound or any law, rule, regulation or policy applicable to Seller or to the operation of the Station.

(d) Conveyance of Assets. At Closing, Seller shall convey to Buyer good and marketable title to all the Assets, free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, covenants, restrictions, encumbrances, encroachments or other defects of title except: (i) liens for taxes not due until after the Closing Date and that will be prorated between Seller and Buyer; (ii) statutory liens not yet delinquent; and (iii) as otherwise expressly provided in this Agreement or its Exhibits. Subject to Section 12(d) below, if the assignment to Buyer hereunder of any Contract requires the consent of any third party and such consent has not been obtained as of the Closing Date, Buyer at its option may assume Seller's obligations to be performed under such Contract for such period after Closing during which Buyer receives the benefits to which Seller is currently entitled thereunder, or reject such Contract, in which event such Contract shall be retained by Seller.

Notwithstanding the foregoing, the failure of Seller to obtain any such third party consent (including, without limitation, satisfactory estoppel language as to the absence of defaults and the completeness of documentation of the respective lessors, landowners and any other person or entity whose consents may be required to permit Seller to assign or Buyer to assume the contract) for any of the Contracts which are designated in Exhibit E as requiring third party consent shall constitute an event of default hereunder unless the failure of Seller to obtain any such consents, individually or in the aggregate, do not have a material adverse effect on Seller or the operation of the Station as currently operated or proposed to be operated under the Agreement.

(e) Licenses and Lawful Operation. The Licenses listed in Exhibit A are all the FCC authorizations held by Seller with respect to the Station and are the only FCC authorizations used in or necessary for the lawful operation of the Station as currently operated by Seller. The Licenses are in full force and

effect, and are not impaired by any act or omission of Seller or Seller's principals, employees or agents. There are no proceedings, complaints or investigations pending or, to Seller's knowledge, threatened before or by the FCC relating to the Licenses or to the business or operation of the Stations. All ownership reports, employment reports and other documents required to be filed by Seller with the FCC have been filed, such items as are required to be placed in the local public records and political files have been placed in such files, to the best of Seller's knowledge, information and belief, and all proofs of performance and measurements that are required to be made by Seller with respect to the Station's transmission facilities are on file at the Stations. All such reports and documents are complete and correct in all material respects. Exhibit D hereto lists all items which were required to be placed in the Station's local public records and political files but which are missing, with an explanation as to why each item was not either located or reconstructed for placement in such files.

(f) Personal Property. The Personal Property listed in Exhibit B, together with any improvements and additions thereto and replacements thereof, less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, constitute all the tangible personal property used or useful or held for use by Seller as of the date hereof in the conduct of the business and operation of the Station as currently operated by Seller. The property listed on Exhibit B conforms in all materials respects to the Licenses, is insurable at standard rates and is available for use in the conduct of the business and operation of the Station. The transmitting and studio equipment included in Exhibit B is operating in accordance with the terms and conditions of the Licenses and the rules, regulations and policies of the FCC, and with all other applicable federal, state and local statutes, ordinances, rules and regulations. The operation of the Station does not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the radio frequency protection rules and guidelines most recently adopted by the FCC.

(g) Contracts, Exhibit E lists all the contracts, leases and agreements existing as of the date hereof to which Seller is a party or by which Seller or the Assets are legally bound that have a material effect on the revenues or operating expenses of the Station, other than such contracts, leases and agreements which Buyer has notified Seller that Buyer will not assume. Except as set forth in Exhibit E, (i) each Contract is in full force and effect, is binding according to its terms and is not impaired in any material respect by any acts or omissions of Seller; (ii) there has not occurred as to any Contract any material default by Seller which is continuing or any event that, with the lapse of time or otherwise, is likely to become a material default by Seller; and (iii) to Seller's knowledge, there has not occurred as to any Contract any material default by any other party thereto which is continuing or any event that, with the lapse of time or at the election of any person other than Seller, would become a material default by such party. Seller has not granted or been granted any waiver or forbearance with respect to any material provision of any such Contract. Seller has all requisite corporate power and authority to assign its rights under the Contracts to Buyer in accordance with

this Agreement and such assignment will not affect the validity or enforceability of any of the Contracts.

(h) Bills. All past due bills which are material to the operation of the Station, including those for telephone, utilities and rent, are or will be paid current by Seller prior to Closing subject to the provisions of Section 16 below.

(i) Intangible Property. The Intangible Property described in Exhibit C includes all call signs, copyrights, patents, trademarks, tradenames, slogans, logos, service marks, licenses, jingles and other similar intangible property rights applied for, issued to or owned by Seller, or under which Seller is licensed or franchised, and used or held for use in the conduct of the business of, and to promote or identify the Station, all of which are in good standing and uncontested. Except as identified in Exhibit C, there is no pending or to Seller's knowledge, threatened proceeding or litigation affecting any promotional rights listed in Exhibit C, Seller has no knowledge of any infringement or unlawful or unauthorized use of the Intangible Property and no one is currently asserting to Seller that the operation of the Station infringes any copyright, patent, trademark, tradename, service mark or other similar intangible property right of any third party. Seller has delivered to Buyer copies of all material documents, if any, establishing such promotional rights, licenses or authority.

(j) Insurance. All of the Assets are of an insurable character in an amount, scope and coverage, which is customary in the broadcast industry. Exhibit J lists all insurance policies held by Seller as of the date hereof relating to the business, properties and employees of the Station. All such policies are in full force and effect.

(k) Employees. Seller has, in its conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules, regulations and policies relating to the employment of labor, including those relating to wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans and the payment of Social Security, payroll withholding and similar taxes and Seller is not liable for any arrears of wages or any tax penalties for failure to comply with any of the foregoing. No employee of the Station is represented by, and Seller has not entered into any employment or compensation agreement with, a union or other collective bargaining unit, no application for recognition of a collective bargaining unit is now pending before the National Labor Relations Board with respect to the Station's employees and, to Seller's knowledge. No concerted effort to unionize any of the Station's employees is currently in progress. Seller has no retirement, pension, profit-sharing, bonus, severance pay, disability, health, vacation or other employee benefit plans, practices, agreements or understandings which would result in any liability or obligation to Buyer in respect of any employee of Seller and all such obligations of Seller shall be paid in full as of the closing date.

(l) Litigation. Except as identified in Exhibit K hereto, there is no judgment, order, award, writ, injunction, arbitration, decision or decree outstanding or litigation, action, suit, proceeding or investigation pending or, to Seller's knowledge, threatened that would give rise to any claim against any of the Assets which would have a material adverse effect on the Assets. The financial condition of the Station or on Seller's ability to perform in accordance with the terms of this Agreement and Seller has no knowledge of any facts that are likely to result in any such claim or proceeding, other than those affecting radio broadcasters of the same class generally.

(m) Administrative Violations. If Seller receives any finding, order, complaint, citation or notice prior to Closing which states that any aspect of the Station's operation violates any rule, regulation or policy of the FCC or of any other federal, state or local regulatory or administrative body (an "Administrative Violation"), including any rule, regulation or policy concerning Hazardous Substances (as defined below), the employment of labor or equal employment opportunity, Seller shall promptly notify Buyer of the Administrative Violation and use its best efforts to remove or correct it. As of the date hereof, there are no Administrative Violations, any pending investigations concerning possible Administrative Violations or, to Seller's knowledge, any facts, which would result in any Administrative Violations.

(n) Taxes. Seller has or by the Closing Date will have paid and discharged all taxes, assessments, excises and other levies due and payable by Seller with respect to the Assets excepting such taxes, assessments and other levies as will not be due until after the Closing Date and that are to be prorated between Seller and Buyer pursuant to Section 16 below. No event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller to any taxing authority.

(o) Disclosure. No representation or warranty made by Seller herein or in any exhibit hereto, or in any certificate or other document delivered or to be delivered by or on behalf of Seller pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make any such statement contained herein or therein not misleading.

(p) Hazardous Materials. For purposes of this Agreement, "Hazardous Materials" shall mean waste, substances, materials, whether solids or liquids, smoke, gas, pollutants, contaminants, asbestos or asbestos related products, polychlorinated biphenyl's ("PCB's"), petroleum, crude oil (or any fraction or distillate thereof), lead paint or particulate matter designated as hazardous, toxic, or dangerous, or requiring special handling, treatment, or storage whether or not designated hazardous, toxic, or dangerous under any environmental laws. For purposes of this Agreement, "Environmental Laws" shall be interpreted to mean the Comprehensive Environmental Response Compensation and Liability Act, any successor to such law and/or any other applicable federal, state, or local environmental, health, or safety law, rule, or regulation concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting, or dumping of any waste,

substance, materials, smoke, gas, or particulate matter or imposing liability or standards in connection therewith for the protection of the environment, the health and safety of workers or the general public. There are no pending, or to Seller's knowledge threatened, actions, suits, claims, legal proceedings or any other proceedings based on Hazardous Materials or the Environmental Laws at the Leased Premises, or any part thereof or otherwise arising from Seller's activities at the Leased Premises or operation of the Station involving Hazardous Materials. To the best of Seller's knowledge, there are no conditions, facilities, procedures or any other facts or circumstances which could give rise to claims, expenses, losses, liabilities or governmental action against Buyer in connection with any Hazardous Materials present at or disposed of from the Leased Premises, including without limitation the following conditions arising out of, resulting from or attributable to, the Assets, the business or operation of Seller at the Leased and owned Premises: (i) the presence of any Hazardous Materials on the Leased or owned Premises or the release or threatened release of any Hazardous Materials into the environment from the Leased or owned Premises, (ii) the off-site disposal of Hazardous Materials originating on or from the owned or Leased Premises or the business or operation of Seller; (iii) the release or threatened release of any Hazardous Materials into any storm drain, sewer, septic system or publicly owned treatment works; (iv) any noncompliance with federal, state or local requirements governing occupational safety and health or presence or release in the air and water supply systems of any substances that pose a hazard to human health or an impediment to working conditions; or (v) any facility operations, procedures or designs, which do not conform to the statutory or regulatory requirements of any Environmental Laws. The presence, use and storage of PCBs or asbestos-containing materials, if any, present at or in the Leased or owned Premises does not violate any applicable Environmental Law and the Leased Premises and owned contain no underground storage tanks or underground piping associated with tanks used currently or in the past for the management of Hazardous Materials.

(q) Reasonable Accommodation There are no pending, or to Sellers knowledge threatened, actions, claims, legal proceedings or any other proceedings based on the reasonable accommodation provisions of the Americans With Disabilities Act of 1990 which requires the stations to alter existing facilities or procedures to make them accessible to disabled employees or other individuals, such as modifying or acquiring for computers or telephones or adding ramps or handrails.

(r) Representations to Personnel Seller has made no representations to any of the stations employees concerning their employment, if any, by Buyer, after the Closing Date. Any decision by Buyer to employ any of the employees of the Stations on or after 12:01a.m. on the closing date is made at its sole discretion.

(s) Operation Prior to Closing. Between the date of this Agreement and the Closing Date, unless otherwise agreed to by Buyer:

(i) Seller shall operate the Station consistent with the rules, regulations and policies of the FCC, and shall comply in all material respects with all, laws, rules, regulations, ordinances and policies applicable to the Assets and to the business and operation of the Stations.

(ii) Seller shall maintain insurance upon the Assets and with respect to the operation of the Station's business comparable in amount, scope and coverage to that in effect on the date hereof.

(iii) Seller shall maintain its books; records and accounts in the usual, regular and ordinary manner, on a basis consistent with generally accepted accounting principles.

(iv) Seller shall notify Buyer promptly if Seller has knowledge of any litigation or administrative proceeding pending or threatened against Seller or the Stations which challenges the transaction contemplated herein or which would result in any material claim against the Assets.

(v) Seller shall not create, assume or permit to exist any claim, liability, mortgage, liens, pledge, condition, charge or encumbrance of any nature whatsoever upon the Assets, except for those in existence on the date hereof, or otherwise permitted herein, all of which, shall or will be removed on or prior to the Closing Date, except as otherwise permitted herein.

(vi) Seller shall take such action, at Seller's expense, as may be necessary to cause the representations set forth in this Section 8 to be true and correct as of the Closing Date, or if Seller does not, Buyer shall have the right to terminate this Agreement.

9. **RISK OF LOSS:** The risk of loss or damage to the Assets shall be upon Seller at all times up to the close of business on the Closing Date. In the event of such loss or damage, Seller shall promptly notify Buyer thereof and may, at its option, attempt to repair, replace or restore the lost or damaged property to its former condition. If such repair, replacement or restoration has not been completed to the reasonable satisfaction of Buyer prior to the Closing Date, and then Buyer may, at its option:

(a) elect to consummate the Closing, in which event Seller shall pay to Buyer the amount of any deductible under applicable insurance and assign to Buyer all of Seller's rights under all applicable insurance policies and Buyer shall receive all proceeds available thereunder; or

(b) elect to postpone the Closing Date, with the prior consent of the FCC if necessary, for such reasonable period of time, not to exceed sixty (60) days, as is necessary, to allow Seller to attempt to repair, replace or restore the lost or damaged property to its former condition; provided, however, that if it will not be possible for Seller to complete such repairs, replacement or restoration within such sixty (60) day period or Seller notifies Buyer that it has elected not to complete such repairs, replacement or restoration, then Buyer may terminate this Agreement immediately; provided further, if, after the

expiration of any extension period, the lost or damaged property has not been adequately repaired, replaced or restored to the reasonable satisfaction of Buyer, Buyer may terminate this Agreement immediately. Upon termination pursuant to this Subsection, the Escrow Deposit, together with all accrued interest thereon, if any of the Escrow Deposit is in the form of cash, shall be returned to Buyer and the Parties shall be released and discharged from any further obligation hereunder, subject to the provisions of Section 18(a)(ii), below.

(c) If the Parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement or restoration of any lost or damaged property or any other matter arising under this Section 9, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer.

10. **BUYER'S REPRESENTATIONS AND WARRANTIES AND COVENANTS:** Buyer represents warrants and covenants as follows:

(a) **Existence and Power.** If Buyer assigns this Agreement to a corporation pursuant to Section 24, such corporation is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, with all requisite power and authority under its articles of incorporation and bylaws to enter into and perform this Agreement and the transactions contemplated hereby and is duly qualified to do business and is in good standing in each jurisdiction where the nature of Buyer's business as now conducted makes such qualification necessary.

(b) **Binding Agreement.** The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action and copies of the authorizing resolutions, certified by Buyer's Secretary or Assistant Secretary, shall be delivered to Seller at Closing. This Agreement has been duly executed and delivered to Seller and constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.

(c) **No Inconsistency or Conflict.** Subject to the receipt of all requisite FCC and other governmental or other approvals, authorizations and consents, none of (i) the execution, delivery and performance of this Agreement by Buyer, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) Buyer's compliance with the terms and conditions thereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under or violate Buyer's articles of incorporation or bylaws, any agreement, lease or other legal instrument to which Buyer is a party or by which Buyer is legally bound or any law, rule, regulation or policy applicable to Buyer or to the operation of the Station.

(d) Litigation. There is no judgment, order, award, writ, injunction, arbitration, decision or decree outstanding or litigation, action, suit, proceeding or investigation pending or, to Buyer's knowledge, threatened that would give rise to any claim against Buyer or which would have a material adverse effect on Buyer's ability to perform in accordance with the terms of this Agreement and Buyer has no knowledge of any facts that are likely to result in any such claim or proceeding, other than those affecting radio broadcasters of the same class generally.

(e) Disclosure. No representation or warranty made by Buyer herein or in any exhibit hereto, or in any certificate or other document delivered or to be delivered by or on behalf of Buyer pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make any such statement contained herein or therein not misleading.

11. MAINTENANCE OF CONFIDENCES: Between the date of this Agreement and the Closing Date, Buyer agrees to keep confidential all information it receives or has received during the course of the negotiations in connection with the transaction contemplated herein or relating to the business operations of Seller, provided that Buyer may disclose such information to its professional advisors, agents, and any financial institution which it may be dealing with in connection with the proposed financing of the transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, Buyer shall promptly return to Seller all materials acquired by Buyer from Seller with respect to the Station and the associated assets and intangibles, and provide to Seller the names and addresses of any and all persons, firms, or other entities who have viewed or received information with respect to the proposed sale of the Station (together with a meaningful description of the materials viewed or received by each of them).

12. CONDITIONS TO BUYER'S OBLIGATION TO CLOSE: In addition to the satisfaction of the mutual conditions contained in Section 4 hereof, the obligation of Buyer to consummate this Agreement is subject, at Buyer's option, to the satisfaction on or prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller to Buyer contained herein shall be true, complete and correct in all material respects as of the Closing Date with the same form and effect as if then made, except for changes contemplated by this Agreement.

(b) Compliance with Conditions. All of the terms, conditions and covenants contained herein to be complied with or performed by Seller on or before the Closing Date shall have been complied with and performed in all material respects.

(c) Validity of Station's Licenses. On the Closing Date, Seller shall be the owner and holder of the Licenses to the extent that such licenses can be

owned or held by Seller under the Communications Act of 1934, as amended, and the Licenses shall be in full force and effect and valid for their full license term.

(d) Assignment of the Contracts. Seller shall have obtained all third party consents necessary to assign to Buyer Seller's rights under the Contracts.

(e) "Domestic" Affidavit. On the Closing Date, Seller shall deliver to Buyer an affidavit of Seller stating that Seller is not a "foreign person" as defined in Section 1445(t)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and setting forth Seller's taxpayer identification number and such additional information as may be required to exempt this transaction from the withholding provisions of Section 1445 of the Code. Buyer shall have the right to furnish copies of the affidavit to the Internal Revenue Service.

(f) Closing Documents. Seller shall have delivered to Buyer such assignments and other instruments of conveyance as are necessary to vest title to the Assets in Buyer, all of which documents shall be dated as of the Closing Date, duly executed by Seller, and in such form as is customary for transactions of this type and reasonably acceptable to Buyer, including but not limited to (i) one or more assignments transferring to Buyer the Station's Licenses; (ii) one or more bills of sales conveying to Buyer the Station's Personal Property, (iii) one or more assignments, together with all consents identified as required consents, assigning to Buyer the Station's Contracts; (iv) one or more assignments or other appropriate instruments assigning to Buyer the Station's Intangible Property; (v) resolutions of Seller authorizing the execution, delivery and performance of this Agreement by Seller and certified by Seller's Managing Members; and (vi) duly executed termination statements, releases and satisfaction pieces as are appropriate to demonstrate that the Assets are being conveyed to Buyer free and clear of all liens, security interests and encumbrances except as specifically permitted by this Agreement or otherwise consented to by Buyer in writing.

(g) Time Brokerage Agreement. Seller shall not be in material breach of its obligations under the Time Brokerage Agreement and the Time Brokerage Agreement shall have remained in effect through the Closing Date unless terminated as a result of the breach of Buyer.

(h) Environmental Assessment. Buyer shall have the right, at Buyer's option, to conduct one or more environmental site assessments of the Leased and Owned Premises prior to Closing. In the event Buyer elects to conduct such environmental site assessments, it shall be a condition to Buyer's obligation to close that no environmental condition on or affecting such real property shall be revealed (or if not revealed, shall be determined by the environmental engineer or consulting firm conducting the assessment to be in substantial risk of being revealed upon further testing) as a result of the environmental site assessments that could either (i) materially impair the use of such real property for the continued operation of the Station as operated on the Closing Date or (ii) subject Buyer or Seller to any material liability for fines,

penalties or cleanup or response costs if Buyer consummates this Agreement; provided, however, that this condition shall be deemed satisfied if any such environmental condition is remedied prior to Closing. Buyer shall commission and pay for any environmental site assessments. Buyer's failure to commission and complete a Phase One environmental assessment within sixty (60) days from the date of this Agreement shall be deemed a waiver of this condition and shall not be grounds for terminating this Agreement or postponing the Closing.

13. CONDITIONS TO SELLER'S OBLIGATION TO CLOSE: In addition to satisfaction of the mutual conditions contained in Section 4, herein, the obligation of Seller to consummate this Agreement is subject, at Seller's option, to satisfaction on or prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Buyer to Seller contained herein shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made, except for changes contemplated by this Agreement.

(b) Compliance with Conditions. All of the terms, conditions and covenants contained herein to be complied with or performed by Buyer on or before the Closing Date (including, as applicable, compliance with Section 18(f) hereof) shall have been complied with and performed in all material respects.

(c) Payment. Buyer shall pay Seller the purchase price as defined in Section 3(b), above, and deliver the Promissory Note as provided for in Section 3(c), above.

(d) Collateral. Buyer shall have executed and delivered to Seller such security agreements necessary to secure Buyer's payments on the Promissory Note, as provided for in Section 3(c), above. The security agreements shall be suitable for filing in the State of North Carolina sufficient to establish a lien on the Assets.

(e) Time Brokerage Agreement. Buyer shall not be in material breach or its obligations under the Time Brokerage Agreement and the Time Brokerage Agreement shall have remained in effect through the Closing Date unless terminated as a result of the breach of Seller.

(f) Closing Documents. Buyer shall have delivered to Seller such instruments as are necessary for the assumption by Buyer of title to the Assets, all of which documents shall be dated as of the Closing Date, duly executed by Buyer, and in such form as is customary for transactions of this type and reasonably acceptable to Seller, including but not limited to one or more agreements by which Buyer assumes and agrees to perform all of the obligations of Seller accruing after the Closing Date under the Station's Contracts.

14. INDEMNIFICATION OF BUYER:

(a) It is Understood and agreed that Buyer does not assume and shall not be obligated by any actions or obligations of Seller subsequent to the Closing Date. Seller hereby agrees to indemnify and hold Buyer, its successors, and assigns, harmless from and against the following:

(i) Any and all losses, costs, claims, liabilities, and obligations of every kind and description, including liabilities, obligations and contracts of Seller not expressly assumed by Buyer pursuant to this Agreement or the Time Brokerage Agreement, contingent or otherwise, arising from or related to the operation of the Station or ownership of the Assets prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed prior to the close of business on the Closing Date under any contract or instrument assumed by Buyer hereunder and any and all claims, liabilities and obligations asserted by third parties with respect to any and all of the Assets of the Station but excluding any liability of Buyer arising under or claims attributable to Buyer's breach of the Time Brokerage Agreement.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or non-fulfillment of any agreement or obligation on the part of Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees incident to any of the foregoing provisions.

(b) If any claim or liability shall be asserted against Buyer which would give rise to a claim by Buyer against Seller for indemnification under the provisions of this Section 14, Buyer shall promptly notify Seller in writing of the same. However, Buyer's failure to give Seller prompt notice shall not bar Buyer's right to indemnification unless such failure has materially prejudiced Seller's ability to investigate or defend against the claim or proceeding.

(c) Following receipt of notice from Buyer of a claim, Seller shall have twenty (20) days to make an investigation of the claim, as the Seller deems necessary or desirable. For the purpose of this investigation, Buyer agrees to make available to Seller and its authorized representatives the information relied upon by Buyer to substantiate the claim. If Buyer and Seller cannot agree as to the validity and amount of the claim within the 20-day period (, or any mutually agreed upon extension), Buyer may seek appropriate legal remedies.

(d) Seller shall have the right to employ counsel reasonably acceptable to Buyer to defend against any and all such claims or proceedings, or to

compromise, settle or otherwise dispose of the same, if Seller deems it advisable to do so, all at the expense of Seller and subject to Buyer's prior written consent. The Parties will fully cooperate in any such action and shall make available to each other any books or records useful for the defense of any such claim or proceeding. If Seller fails to acknowledge its obligation to defend against or settle such claim or proceeding within twenty (20) days after receiving notice thereof from Buyer (or such shorter time specified in the notice as the circumstances of the matter may dictate), Buyer shall be free to dispose of the matter, at the expense of Seller, in any way in which Buyer deems to be in its best interests.

(e) The right to indemnification provided for in this Section 14 shall not be the exclusive remedy of Buyer in connection with any breach by Seller of its representations, warranties, covenants or other obligations contained in this Agreement, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which Buyer may otherwise be entitled as a result of any such breach by Seller.

15. INDEMNIFICATION OF SELLER:

(a) It is Understood and agreed that Seller does not assume and shall not be obligated by any actions or obligations of Buyer subsequent to the Closing Date. Buyer hereby agrees to indemnify and hold Seller, its successors, and assigns, harmless from and against the following:

(i) Any and all losses, costs, claims, liabilities, and obligations of every kind and description, including liabilities of Buyer not expressly assumed by Seller pursuant to this Agreement or the Time Brokerage Agreement, contingent or otherwise, arising from or related to the operation of the Station or ownership of the Assets prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed subsequent to the Closing Date under any contract or instrument assumed by Buyer hereunder and any and all claims, liabilities and obligations asserted by third parties with respect to any and all of the Assets of the Station but excluding any liability of Seller arising under or claims attributable to Seller's breach of the Time Brokerage Agreement.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or non-fulfillment of any agreement or obligation on the part of Buyer under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees incident to any of the foregoing provisions.

(b) If any claim or liability shall be asserted against Seller which would give rise to a claim by Seller against Buyer for indemnification under the provisions of this Section 15, Seller shall promptly notify Buyer in writing of the same. However, Seller's failure to give Buyer prompt notice shall not bar Seller's right to indemnification unless such failure has materially prejudiced Buyer's ability to investigate or defend against the claim or proceeding.

(c) Following receipt of notice from Seller of a claim, Buyer shall have twenty (20) days to make an investigation of the claim, as the Buyer deems necessary or desirable. For the purpose of this investigation, Seller agrees to make available to Buyer and its authorized representatives the information relied upon by Seller to substantiate the claim. If Seller and Buyer cannot agree as to the validity and amount of the claim within the 20-day period (or any mutually agreed upon extension), Seller may seek appropriate legal remedies.

(d) Buyer shall have the right to employ counsel reasonably acceptable to Seller to defend against any and all such claims or proceedings, or to compromise, settle or otherwise dispose of the same, if Buyer deems it advisable to do so, all at the expense of Buyer and subject to Seller's prior written consent. The Parties will fully cooperate in any such action and shall make available to each other any books or records useful for the defense of any such claim or proceeding. If Buyer fails to acknowledge its obligation to defend against or settle such claim or proceeding within twenty (20) days after receiving notice thereof from Seller (or such shorter time specified in the notice as the circumstances of the matter may dictate), Seller shall be free to dispose of the matter, at the expense of Buyer, in any way in which Seller deems to be in its best interests.

(e) The right to indemnification provided for in this Section 15 shall not be the exclusive remedy of Seller in connection with any breach by Buyer of its representations, warranties, covenants or other obligations contained in this Agreement, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which Seller may otherwise be entitled as a result of any such breach by Buyer.

16. **EXPIRATION OF REPRESENTATIONS, WARRANTIES, AND CLAIMS:** All representations, warranties, and claims for indemnification by Seller and Buyer contained herein or arising under this Agreement shall expire one (1) year after the Closing.

17. **PRORATIONS:**

(a) Seller shall be entitled to all income attributable to, and shall be responsible for all expenses arising out of, the operation of the Station up to the close of business on the Closing Date. Buyer shall be entitled to all income attributable to, and shall be responsible for all expenses arising out of, the operation of the Station after the close of business on the Closing Date. All overlapping items of income or expense, including the following,

shall be prorated or reimbursed, as the case may be, as of the close of business on the Closing Date (the "Prorations"):

(i) Advance payments received from advertisers prior to Closing for services to be rendered in whole or in part after Closing;

(ii) Prepaid expenses and deposits made prior to Closing, as permitted under this Agreement, for or in connection with goods or services where all or part of such goods or services have not been received or used as of the Closing Date (e.g., rents paid in advance for a rental period extending beyond Closing, agreements for the sale of time on the Station for cash ("Sales Agreements") and agreements for the sale of advertising time on the Station in exchange for consideration other than cash ("Trade Agreements"); provided, however, that Buyer shall not be obligated to make any proration in favor of Seller with respect to Trade Agreements, notwithstanding that the fair market value of goods and services to be received by Buyer exceeds the liability.

(iii) Liabilities customarily accrued, arising from expenses incurred but unpaid as of Closing (including, for example, rents, telephone, sales commissions, fees for business and professional services and prizes awarded in contests conducted by the Station);

(iv) Taxes, utility and water charges related to the Station or in respect of any of the Assets;

(v) Deposits and unearned prepayments received by Seller in connection with any Contract assumed by Buyer; and

(vi) Broadcast station. All other items normally prorated in the sale of the assets of a radio station.

(b) Prorations shall be made, insofar as feasible, at Closing and shall be paid in cash. As to Prorations that cannot be made at Closing, within ninety (90) days after the Closing Date, Buyer shall determine all such Prorations and shall deliver a statement of its determinations to Seller, which statement shall set forth in reasonable detail the basis therefor. Within ten (10) days thereafter (the "Adjustment Date"), Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due. If Seller does not concur with Buyer's determinations, Seller shall so notify Buyer within ten (10) days of receiving Buyer's statement and the Parties shall negotiate in good faith with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the Parties. If, within thirty (30) days of the date on which Seller notifies Buyer that Seller disagrees with Buyer's determinations, the Parties are unable to resolve the matter, at the end of such period it shall be referred to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer.

(c) If the amount of any personal property tax to be prorated is not known on the Closing Date, such tax shall be apportioned on the basis of the

most recent tax assessment. Upon the issuance of the pertinent tax bill, there shall be a reapportionment and adjustment with, respect to such tax, even though such final proration and adjustment may take place more than ninety (90) days after the Closing Date.

(d) Notwithstanding any of the foregoing to the contrary, between the date hereof and the Closing Date, the Prorations defined in this Section 17 shall be made in accordance with the provisions of the Time Brokerage Agreement allocating Sellers and Buyer's respective responsibilities the cost and expenses of maintaining and operating the Station during the term of the Time Brokerage Agreement. In the event that an inconsistency as to the allocation of such costs and expenses exists between the provisions of this Section 16 and the provisions of the Time Brokerage Agreement, the provisions of the Time Brokerage Agreement shall prevail.

18. **FEES:** Except as otherwise provided herein, all fees and expenses involved in the preparation and consummation of the transaction contemplated by this Agreement shall be borne by the Party incurring same whether or not the transaction is consummated. Seller and Buyer shall each pay one-half (1/2) of the FCC filing fee as described in Section 4. Buyer shall pay filing fees (other than FCC filing fees) or similar fees any costs of recordation. Seller shall pay any transfer taxes, sales or use taxes, and similar fees.

19. **TERMINATION:**

(a) **Absence of FCC Consent.**

(i) If the FCC has not granted its consent to the assignment of the Station's Licenses by Final Order within nine (9) months of the date of filing of the Assignment Application with the FCC ("Upset Date"), either Party shall have the right to rescind its obligation with respect to the purchase and sale of the Station and terminate this Agreement.

(ii) Notwithstanding Subsection 18(a), or any other provision of this Agreement, it is further provided, however, that no Party may terminate this Agreement if such Party is in material default or has otherwise failed to comply with its material obligations hereunder or if a delay in any decision or determination by the FCC respecting the Assignment Application described in Section 4, above, has been caused or materially contributed to by any failure of such Party to furnish, file or make available to the FCC information within such Party's control upon the FCC's request; the furnishing by such Party of incorrect, inaccurate or incomplete information to the FCC; or any other action taken or not taken by such Party for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

(iii) Upon termination for failure of the FCC to act, the Escrow Deposit shall be released in accordance with the terms of Section 19(c), below.

(b) **Designation for Hearing.** The time of FCC approval provided in Section 18(a)(i) notwithstanding, either Party may terminate this Agreement

upon notice to the other if for any reason the Assignment Application is designated for hearing by the FCC; provided, however, that the Party giving such notice is not in default and has otherwise materially complied with its obligations under this Agreement. Upon termination pursuant to this Section 18(b), the Escrow Deposit shall be released in accordance with the terms of Section 19(c) below. Termination pursuant to this Section shall not relieve either Party of any liability for breach of its representations, warranties and covenants contained in this Agreement.

(c) Breach of Conditions Precedent. This Agreement may be terminated by either Party upon the failure of the other Party to perform any of the conditions precedent to Closing set forth herein.

(d) Bankruptcy. This Agreement may be terminated by either Party if the other Party (i) files a voluntary petition for relief under the United States Bankruptcy Code; (ii) files any petition for relief under any state insolvency or similar law; or (iii) is the subject of an involuntary petition under the United States Bankruptcy Code or any state insolvency or similar law, which petition, as referenced in (i), (ii) or (iii), herein, is not dismissed within sixty (60) days after its filing.

(e) Broadcast Transmission. If the Station suspends broadcast operation for a period of five (5) consecutive days or for an aggregate of ten (10) days within any calendar month, then Buyer may, at its sole option, terminate this Agreement upon written notice to Seller, provided, that Buyer is not then in material default or breach of this Agreement.

20. DEFAULT AND REMEDIES:

(a) Material Breaches. A Party shall be deemed to be in default under this Agreement only if such Party has materially breached or failed to perform its obligations hereunder. No non-material breaches or failures shall be grounds for declaring a Party to be in default, postponing the Closing or terminating this Agreement.

(b) Opportunity to Cure. If either Party believes the other to be in default hereunder, such Party shall provide the other with written notice specifying in reasonable detail the nature of the default. If the default has not been cured to the reasonable satisfaction of the non-defaulting Party within twenty (20) days after delivery of such notice or such additional reasonable time as the circumstances may warrant provided the Party in default undertakes diligent good faith efforts to cure the default within such twenty (20) day period and continues such efforts thereafter, then the Party giving such notice may terminate this Agreement.

(c) Liquidated Damages. Buyer and Seller agree in advance that Seller's actual damages if Buyer breaches its obligations under this Agreement would be difficult to ascertain and that the amount of the liquidated damages to be paid to Seller is a fair and equitable amount to reimburse Seller the damages sustained from the termination of this Agreement for any of the above-stated

reasons. Accordingly, if this Agreement is terminated by Seller due to a material breach by Buyer of its representations, warranties or covenants under this Agreement, then the Escrow Deposit (in the value of \$60,000.00) shall be delivered to Seller as liquidated damages, it being agreed that the Escrow Deposit shall constitute full payment for any and all damages suffered by Seller by reason thereof. If this Agreement terminates or fails to close for any reason other than (i) Buyer's material breach of any of its representations, warranties or covenants contained herein, Or (ii) the FCC's determination that Buyer is basically not qualified to be an FCC licensee, then the Escrow Deposit shall be returned to Buyer.

(d) Specific Performance. If Seller materially breaches any of its representations, warranties or covenants contained in this Agreement, Buyer may elect to specifically enforce this Agreement, in which case Seller shall waive the defense that there is an adequate remedy at law. As a condition to seeking specific performance, Buyer shall not be required to have tendered the Purchase Price, but shall be ready, willing and able to do so. In lieu of seeking specific performance, Buyer may elect to terminate this Agreement and seek appropriate damages up to a maximum of \$60,000 including, but not limited to, transactional costs reasonably incurred by Buyer in connection with the preparation and execution of this Agreement, including reasonable legal fees, expenses and costs, due diligence expenses and nonrefundable bank commitment fees. If Buyer elects to pursue the remedy of specific performance and is successful, Seller shall reimburse Buyer for all costs and expenses incurred by Buyer in connection with the action for specific performance, including all attorneys' fees, expenses and costs.

21. NOTICES: All notices, requests, demands and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally or mailed by certified mail, return receipt requested, postage prepaid or by an overnight carrier that provides a written confirmation of delivery, addressed as follows:

If to Seller:

Roy Rodwell
19 Greenwood Road
Asheville, NC 28803-3110

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

Michael Ortiz
Faison & Gillespie
Post Office Box 51729
Durham, NC 27717-1729

If to Buyer:

Gary E. Burns
Burns Media Strategies
P.O. Box 348 Forest, VA, 24551

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

22. **BULK SALES LAW**: Seller shall be responsible for compliance with the provisions of any bulk sales law applicable to the transaction contemplated herein, and shall indemnify and hold Buyer harmless against any cost or expense, including without limitation, reasonable attorneys' fees, expenses and costs incurred by Buyer as a result of the failure to comply with any such law.

23. **BROKER**: Seller shall be solely responsible for the payment of any finder's fee or sales commission due to Snowden & Associates, Inc., and Seller and Buyer, represent to each other that there were no other brokers or finders involved in this transaction. Seller and Buyer shall indemnify and hold each other harmless against any claim from any other broker or finder based upon any agreement, arrangement or understanding alleged to have been made by Seller or by Buyer, as the case may be.

24. **SUCCESSORS-IN-INTEREST**: This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Notwithstanding the foregoing, Buyer shall have no right to assign this Agreement without prior written consent of Seller, except that such consent shall not be required if Buyer assigns this Agreement to an entity wholly owned by Buyer.

25. **OTHER DOCUMENTS**: The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

26. **EXHIBITS**: All Exhibits to this Agreement shall be deemed part of this Agreement and fully incorporated herein. If any provision in any Exhibit conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

27. **NO INCONSISTENT ACTIONS**: Neither Seller nor Buyer shall take any action which is materially inconsistent with its obligations under this Agreement,

28. **ENTIRE AGREEMENT**: This Agreement embodies the entire understanding between the parties and supersedes all other agreements, representations, warranties, or understandings, or writings regarding its subject matter. No alteration, modification, or change of this Agreement shall be valid unless by like instrument.

29. **GOVERNING LAW:** This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

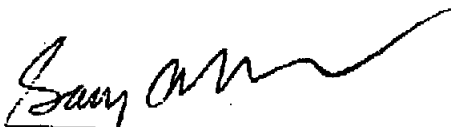
30. **COUNTERPARTS:** This Agreement may be executed in counterparts,

31. **HEADINGS:** The headings of the paragraphs of this Agreement are inserted for convenience and in no way define, limit, or describe the scope of this Agreement nor the intent of any paragraph hereof.

32. **SEVERABILITY:** If any term of this Agreement is found to be illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such terms so modified, and the balance of this Agreement shall, be fully enforceable, unless the illegal or unenforceable term is material to this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

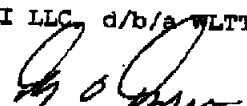
BUYER:



GARY E. BURNS
Burns Media Strategies


SELLER:

NanBecI LLC, d/b/a WLTT FM

BY: 

Roy Rodwell, Managing Member

Rodwell LLC, d/b/a WCCA FM

BY: 

Roy Rodwell, Managing Member