

AGREEMENT

This Agreement (the "*Agreement*") is made and entered into this 29th day of January, 2003 by and among Franklin Broadcasting Company, Inc., a North Carolina corporation, (the "*Seller*"), New Century Media Group, LLC, a North Carolina limited liability company, (the "*Buyer*"), and Curtis Media Group, Inc., a North Carolina corporation (the "*Guarantor*").

Seller is the licensee, owner, and operator of Radio Stations WHLQ(FM) and WYRN(AM), Louisburg, North Carolina (collectively, the "*Stations*"). Seller desires to sell and assign to Buyer, and Buyer desires to purchase and acquire from Seller substantially all of the property and assets used or held for use in the operation of the Stations (the sale and purchase being the "*Transaction*"). The parties acknowledge that the licenses issued by the Federal Communications Commission (the "*Commission*" or "*FCC*") for the operation of the Stations may not be assigned without the prior written consent of the Commission.

Accordingly, in consideration of the foregoing and of the mutual promises, covenants, and conditions set forth below, the parties agree as follows:

1. *ASSETS TO BE CONVEYED.* On the Closing Date (as defined below), Seller shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's, title and interest to the assets used or held for use in the operation of the Stations, other than Excluded Assets (as defined below), including without limitation, the following (collectively, the "*Assets*"):

1.1 *Licenses and Authorizations.* All licenses, permits, permissions and other authorizations issued for the operation of the Stations by the Commission and other governmental agencies, including, but not limited to, those listed on Schedule 1.1 attached hereto and incorporated herein by reference (the "*Stations' Licenses*").

1.2 *Stations' Equipment.* All the fixed assets and tangible personal property

owned by Seller and used or held for use in the operation of the Stations including, but not limited to, the property listed on Schedule 1.2 attached hereto and incorporated herein by reference together with any replacements, improvements, or additions thereto made between the date hereof and the Closing Date (the "*Stations' Equipment*").

1.3 *Contracts.* All rights of Seller for the benefit of the Stations including, without limitation, those rights under the following contracts and agreements to which Seller is a party (collectively, the "*Contracts*"): (a) all agreements, contracts and leases described on Schedule 1.3 attached hereto and incorporated herein by reference; (b) such other contracts (other than for the sale of time on the Stations), agreements or leases entered into with the consent of Buyer (the contracts, agreements and leases described in clauses (a) and (b) are collectively referred to as the "*Operating Contracts*"); and (c) all contracts for the sale of time on the Stations for cash ("*Sales Agreements*"). Certain of the Contracts require the consent of one or more third parties in order to be assigned to Buyer (the consents under such Contracts, which are identified as "Consent Required" on Schedule 1.3, each a "*Required Consent*"). The receipt of only those Required Consents under the Contracts also identified by an asterisk on Schedule 1.3 (such contracts, the "*Material Contracts*") shall be deemed to be a condition to Buyer's obligations to consummate this Agreement. With respect to any Required Consent which is not obtained by Seller as of the Closing, upon the request of Buyer, Seller shall, at its own cost and expense, provide reasonable assistance to Buyer in connection with Buyer's efforts to obtain any such Required Consents subsequent to the Closing.

1.4 *Call Signs, Promotional Materials and Intangibles.* All of Seller's rights in the call signs, copyrights, trademarks, tradenames, slogans, logos, service marks, computer software (if any), magnetic media, data processing files, systems and programs, business lists, trade secrets, sales and operating plans, all goodwill of the Stations, employment security commission ratings, and other similar intangible property rights used or held for use in the operation of the Stations, including but not limited to the intangible property identified on Schedule 1.4 attached hereto and incorporated herein by reference (the "*Intangible Property*").

1.5 *Records.* All records, including but not limited to all customer lists, supplier lists, employee personnel files (excluding confidential files pertaining to any current employee of Seller not hired by Buyer on or before the Closing Date), local public records file materials, engineering data, logs, programming records, consultants' reports, ratings reports, budgets, financial reports and projections, and sales, operating and business plans, relating to or used in the operation of the Stations or necessary or desirable to show compliance with any law or regulation applicable to the Stations or the operation of the Stations and not pertaining to Seller's internal corporate affairs or Excluded Assets (the "*Stations' Records*"), it being understood that Seller shall have the right to retain copies of any such records.

1.6 *Real Property.* All of Seller's right, title, and interest in and to the two tracts of real property, as described in Schedule 1.6, together with all easements, improvements, buildings, towers, and appurtenances located therein (the "*Real Property*"). Without limiting the foregoing, Seller shall execute and deliver to Buyer at the Closing general warranty deeds conveying fee simple title to the Real Property to the buyer.

1.7 *Excluded Assets.* It is understood and agreed that the following assets shall not be among the Assets purchased pursuant to this Agreement: (a) Seller's cash and cash equivalents on hand or in banks, certificates of deposit, money market funds, and securities; (b) Seller's Accounts Receivable (defined below in Section 5); (c) the articles of incorporation, bylaws, minute books, stock transfer records and all other corporate books and records of Seller; (d) all records related to financial relationships with Seller's lenders, Seller's accounts payable, Seller's Accounts Receivable and general ledger records; (e) sales, income and other tax refunds and claims therefore relating to the period prior to Closing; (f) life insurance policies; (g) claims against third parties, based on activities occurring prior to Closing, not specifically conveyed and not specifically related to Assets which are conveyed; (h) claims against officers, principals and affiliates of Seller; and (i) assets listed in Schedule 1.7 attached hereto and incorporated herein by reference (each of the foregoing being collectively referred to hereinafter as the "*Excluded Assets*").

2. *LIABILITIES.*

2.1 *Assumption of Liabilities by Buyer.* Buyer shall not assume any of Seller's liabilities, except liabilities: (a) which accrue after the Closing under the Contracts to be assigned to Buyer hereunder; or (b) which arise after the Closing based on the ownership of the Assets or the operation of the Stations.

3. *PURCHASE PRICE AND PAYMENT.*

3.1 *Purchase Price.* The purchase price for the Assets shall be TWO MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,800,000.00) (the "*Purchase Price*"). The Purchase Price shall be payable as follows:

3.2 *Escrow Deposit.* Upon execution of this Agreement, Buyer shall place the sum of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) (the "*Escrow Deposit*") in escrow with Brooks, Pierce, McLendon, Humphrey & Leonard, LLP (the "*Escrow Agent*") to be held in escrow in accordance with the Escrow Agreement attached as Schedule 3.2 hereto.

3.3 *Cash at Closing.* At Closing, (1) Buyer will pay to Seller by wire transfer of federal funds (pursuant to wire instructions that Seller shall deliver to Buyer prior to Closing) the Purchase Price, less the Escrow Deposit and accrued interest thereon, and (2) pursuant to the terms of the Escrow Agreement, Buyer and Seller shall jointly authorize the Escrow Agent to release the Escrow Deposit and accrued interest thereon to Seller.

3.4 *Allocation.* Attached hereto in Schedule 3.4 is an allocation of the various portions of the Assets to the Purchase Price. Seller and Buyer hereby agree: (a) to jointly complete and separately file Form 8594 with their federal income tax return for the tax year in which the Closing occurs; and (b) that neither Seller nor Buyer will take a position on any income, transfer or gains tax return, before any governmental agency charged with the

collection of any such tax, or in any judicial proceeding that is in any manner inconsistent with the allocation contained in Schedule 3.4 without the written consent of the other.

4. *PRORATIONS AND ADJUSTMENTS.* The operation of the Stations and the income and operating expenses, including without limitation assumed liabilities and prepaid expenses, attributable thereto through the close of business on the Closing Date (the "*Adjustment Date*") shall be for the account of Seller and thereafter for the account of Buyer. Expenses for goods or services received both before and after the Adjustment Date, power and utilities charges, frequency discounts, prepaid cash time sales agreements, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Adjustment Date (the "*Closing Date Adjustments*"). All special assessments and similar charges or liens (including mechanics' liens and materialmen's liens) imposed against the Stations' Equipment in respect of any period of time through the Adjustment Date, whether payable in installments or otherwise, shall be the responsibility of Seller, and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Adjustment Date shall be the responsibility of Buyer, and such charges shall be adjusted as provided for hereunder. A final accounting of prorated items shall be made by Buyer, subject to the approval of Seller, and the sum due from one party to the other pursuant to this Section 4, plus or minus any amount due pursuant to Section 1.3, shall be paid in cash, within sixty (60) days after the Closing Date.

5. *LIMITED ASSIGNMENT OF ACCOUNTS RECEIVABLE.* On the Closing Date, Seller will assign to Buyer for purposes of collection only all of Seller's accounts receivable arising from Seller's operation of the Stations (the "*Accounts Receivable*"). Buyer shall retain Seller's books of account relating to the Accounts Receivable only for the duration of the Collection Period (as defined below). Buyer will collect the Accounts Receivable as Seller's agent in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable for a period of one-hundred twenty (120) days following the Closing Date (the "*Collection Period*"); provided, however, that Buyer shall not be obligated to institute

litigation, employ any collection agency, legal counsel or other third party, or take any other extraordinary means of collection. Within ten (10) business days after the Closing Date, Seller shall deliver to Buyer a complete and detailed statement of each Account Receivable. During the Collection Period, Buyer will deposit, on the last business day of each calendar month, into a bank account designated by Seller and maintained by Seller, all collections received on account of the Accounts Receivable during such calendar month and will deliver to Seller a monthly accounting of deposits made with respect to the Accounts Receivable. All amounts received by Buyer from any account debtor included among the Accounts Receivable shall be applied first to the Accounts Receivable. If during the Collection Period a dispute arises between Buyer and an account debtor with respect to an account included among the Accounts Receivable, the Buyer may return that account to Seller for collection. At the conclusion of the Collection Period, any remaining Accounts Receivable shall be reassigned to Seller and thereafter Buyer shall have no further obligation with respect to the Accounts Receivable. Any payments received by Buyer thereafter which can be identified as payments on the Accounts Receivable (whether by accompanying invoice or otherwise) shall be promptly forwarded by Buyer to Seller.

6. *REPRESENTATIONS AND WARRANTIES OF SELLER.* Seller hereby represents, warrants, and covenants to Buyer that the following are true and complete statements as of the date of this Agreement, and in all material respects will be true and complete statements as of the Closing Date

6.1 *Organization.* Seller is a corporation duly organized, validly existing and in good standing under the laws of North Carolina and has full corporate power and authority to conduct its business as currently conducted and proposed to be conducted and to enter into and perform this Agreement.

6.2 *Authorization.* The execution and delivery of this Agreement by Seller has been duly authorized by the Board of Directors and shareholders of Seller. This Agreement has been duly executed by Seller and delivered to Buyer and constitutes a legally valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

6.3 *No Breach.* None of (a) the execution, delivery and performance of this Agreement by Seller, (b) the consummation of this Transaction, or (c) Seller's compliance with the terms and conditions hereof 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 organizational documents, any judgment, decree or order binding on Seller, or (except as disclosed in Schedule 6.3 attached hereto and incorporated herein by reference) any agreement, lease or other instrument to which Seller is a party or by which Seller is legally bound, or any law, rule, or regulation applicable to Seller or the operation of the Stations.

6.4 *Stations Licenses.* Seller currently operates the Stations pursuant to licenses issued by the Commission (the "*Stations' Licenses*"). The Stations' Licenses are all of the licenses, permits, and other authorizations used or necessary to operate the Stations as they are now operated and are issued in the name of Seller. The Stations' Licenses are in full force and effect, are valid for the balance of the current license term applicable generally to radio stations licensed to communities in the state where the Stations are located and are free and clear of any conditions or restrictions which might limit the full operation of the Stations. Except as set forth on Schedule 6.4 attached hereto and incorporated herein by reference, there are no applications, proceedings, or complaints pending or, to the knowledge of Seller, threatened which may have a material adverse effect on the business or operation of the Stations (other than rulemaking proceedings or pending legislation that apply to the radio broadcasting industry generally). Seller is not aware of any reason why the Stations' Licenses subject to expiration might not be renewed in the ordinary course based on current FCC rules.

6.5 *Title to Assets.* Except as set forth on Schedule 6.5 attached hereto and incorporated herein by reference and Permitted Encumbrances, Seller has good title to the Assets (not including any property leased by Seller), free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, easements and encumbrances or other defects of title ("*Encumbrances*"). "*Permitted Encumbrances*" shall mean all (i) Encumbrances on account of taxes or other governmental charges that are not yet

due and payable or that are being diligently contested in good faith by appropriate proceedings or (ii) Encumbrances on account of materialmen's or mechanics' liens.

6.6 *Condition of Equipment.* The Stations' Equipment listed on Schedule 1.2 constitutes all of the material personal property of Seller that is used or held by the Seller for use by the Stations. Except as described in Schedule 6.6 (which shall be supplemented within 30 days of the date of this Agreement), all of the items of tangible personal property and facilities included in the Stations Assets are adequate for the purposes for which they are being used in the business and operations of the Stations. All such tangible assets are in compliance in all material respects with the rules and regulations of the Commission. The Personal Property listed in Schedule 1.2 includes all such properties necessary to conduct the business and operations of the Stations as now conducted.

6.7 *Environmental Matters.*

(a) "Environmental Laws" shall mean (i) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601-9657, as amended by The Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (Oct. 17, 1986), (ii) Title I to the Resource Conservation and Recovery Act, 42 U.S.C. 69991-6991(i), (iii) the United States Department of Transportation Hazardous Materials Table, 49 C.F.R. § 172.101, (iv) §§ 307 and 311 of the Clean Water Act, 33 U.S.C. §§1251-1387, (v) the Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §136-1364, (vi) the Clean Air Act, 42 U.S.C. §§ 7401 et seq., (vii) the North Carolina Oil Pollution and Hazardous Substances Control Act, N.C. Gen. Stat. §§ 143-215.75 et seq.; and (viii) any other local, state, or federal statute, regulation, rule, order, approval, license, permit, authorization, certification, or ordinance which regulates, controls, or manages: (A) the generation, use, storage, treatment or disposal of hazardous materials, hazardous substances, hazardous wastes, toxic substances, oils, and solid wastes (however such terms may be defined under any Environmental Laws); (B) the discharge of pollutants into the waters of the State of North Carolina or of the United States;

(C) the discharge of any air emissions; (D) the release or discharge of any substance into land; or (E) the use of any water, air, or land resources.

(b) Except as described in Schedule 6.7, all operations and uses of the Real Property are, to the best of Seller's knowledge, in compliance with all Environmental Laws. To the best of Seller's knowledge, Seller has obtained all environmental, health and safety permits necessary for the operation of the Stations, and all such permits are in full force and effect and Seller is in compliance with the terms and conditions of all such permits. To the best of Seller's knowledge, there are no outstanding liens on Seller's interest in the Real Property under any Environmental Laws. Seller has not received any notice and is not aware of any administrative or judicial investigations, proceedings or actions with respect to violations, alleged or proven, of Environmental Laws by Seller or any other party, or otherwise involving the Real Property, or the operations now or heretofore conducted on or in the Real Property.

(c) To the best of Seller's knowledge, the Real Property is in compliance with all Environmental Laws and there has been no release (nor, to the best of Seller's knowledge, is there any substantial threat of a release) of any Hazardous Substance at or from the Real Property, in amounts or concentrations requiring remediation under or that would violate current Environmental Laws. To the best of Seller's knowledge, there are no Hazardous Substances present on the Real Property, except for ordinary quantities of properly stored Hazardous Substances found in consumer or commercial products that are used in the normal course of broadcast station operations, including grounds and building operation, and maintenance. "Hazardous Substance" shall mean asbestos-containing material and any and all hazardous or toxic substances, materials or wastes as defined or listed under the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act or any comparable state statute or any regulation promulgated under any of such federal or state statutes. "Hazardous Substance" shall not include ordinary chemicals present in ordinary quantities and used in the course of operations and maintenance of the Stations in compliance with applicable law. To the best of

Seller's knowledge, there are no underground storage tanks, or underground piping associated with such tanks, at the Real Property.

6.8 *Contracts.* There has not occurred as to any Contract any material default by Seller or any event that, with the lapse of time or otherwise, could become a material default by Seller. There has not occurred as to any Contract any material default by any other party thereto or any event that, with the lapse of time or at the election of any person other than Seller, could become a material default by such party. Seller has provided to Buyer true and correct copies of all Contracts to which Seller is a party that are material to the operation of the Stations or create obligations that in the aggregate are material or create aggregate obligations of more than Two Thousand Dollars (\$2,000), other than Sales Agreements, as modified to date. Except for those Contracts marked on Schedule 1.3 as "Consent Required," the Contracts are freely assignable and transferable by Seller to Buyer without the consent of the other contracting party.

6.9 *Labor Matters.* To the best of Seller's knowledge, no employee of the Stations is represented by a union or other collective bargaining unit, no application for recognition of a collective bargaining unit is now pending before the NLRB with respect to the Stations' employees, and to the best of Seller's knowledge, no concerted effort to unionize any of the Stations' employees is currently in progress.

6.10 *Litigation.* Except as set forth on Schedule 6.10 attached hereto and incorporated herein by reference, there is no unsatisfied judgment outstanding, Seller has received no notice of any litigation, proceeding, claim or investigation of any nature pending against Seller or the Assets and, to the best of Seller's knowledge, there is no litigation, proceeding, claim, or investigation of any nature, threatened against Seller or the Assets which might have a material adverse effect on the continued operation of the Stations or materially impair the value of the Assets or which might have a material adverse effect on Seller's ability to perform in accordance with the terms of this Agreement.

6.11 *Compliance With Laws.* Except as disclosed on Schedule 6.11 attached hereto and incorporated herein by reference, Seller has complied in all material respects with, and is not in material violation of any federal, state, or local laws, regulations, or orders relating to the operation of the Stations, where the violation of which could have a material adverse effect on the business or operation of the Stations, including, but not limited to the following:

(a) The Stations' transmitting equipment is operating in material compliance with the terms and conditions of the Stations' Licenses and the rules, regulations and policies of the Commission, including without limitation all regulations concerning equipment authorization and human exposure to radio frequency radiation.

(b) Seller has, in the conduct of the Stations' business, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security and similar taxes, and Seller is not liable for any arrearage of wages or any tax penalties due to any failure to comply with any of the foregoing.

(c) Seller's last renewal application was granted without any EEO Conditions. Seller has not received any notice from the FCC that its employment practices fail to comply with Commission rules and practices.

(d) All ownership reports, employment reports, and other documents required to be filed by Seller with the Commission have been timely filed. Such items as are required to be placed in the Stations' local public records files have been placed in such files and such files have been maintained in accordance with applicable FCC rules and regulations. All proofs of performance and measurements that are required to be made by Seller with respect to the Stations' transmission facilities have been completed and filed at the Stations.

6.12 *Insolvency Proceedings.* None of Seller or the Assets are the subject of any pending or threatened insolvency proceedings of any character, including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary

or involuntary. Seller has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings.

6.13 *Taxes.* Seller has duly filed all Tax returns and forms required to be filed in respect of the Stations, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses in respect of the Stations required to be paid except for taxes, penalties, deficiencies and losses contested in good faith or believed in good faith not to be due and payable. No event has occurred that could impose on Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

6.14 *Insurance.* The business, properties (including the Stations' Assets) and the employees of the Stations are insured against loss, damage or injury. Copies of all such insurance policies have been made available to Buyer. All such insurance policies are in full force and effect

6.15 *Real Property.*

(a) Schedule 1.6 contains a complete and correct description of all Real Property. The Real Property represents the real property on which the Stations' studios and transmitting towers is located.

(b) The main studios, driveways, parking areas, transmitting towers, related improvements, guy wires, guy anchors, antennas ground systems, transmitting tower, the transmitter building, and other facilities used by Seller in the operation of the Stations are all located entirely on the Real Property. The current use and operation of the Real Property conform in all material respects to all restrictive covenants, conditions, easements, building, subdivision and similar codes and federal, state and local laws, regulations, rules, orders and ordinances and Seller has received no notice of any violation or claimed violation of any such restrictive covenant, condition or easement, or any building, subdivision or similar code, or any federal, state or local law, regulation, rule, order or ordinance. The premises located on the Real Property are zoned for the purposes for which they are currently being used by Seller.

Seller's improvements on the Real Property are in good working condition and repair except as disclosed on Schedule 1.6. Seller has no knowledge and has received no notice of any pending, threatened, or contemplated action to take by eminent domain or otherwise to condemn any portion of any premises which are located on the Real Property. There exists no writ, injunction, decree, order or judgment, nor any litigation, pending or, to the best of Seller's knowledge, threatened, relating to the ownership, use, lease, occupancy or operation of any of the premises which are the subject of the Real Property.

6.16 *Employee Benefit Plans.* Except as set forth in Schedule 6.16, Seller is not a party to or bound by and does not maintain or have an obligation to contribute to any employee or retiree benefit or compensation plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other program, agreement, arrangement, trust or other funding arrangement, whether or not subject to the provisions of ERISA. Except pursuant to a plan, program, agreement, arrangement, trust or other funding arrangement listed in Schedule 6.16 (a "Plan"), Seller has no fixed or contingent liability or obligation to or in respect of any person now or formerly employed at the Stations or any beneficiary or dependent of any such person, including without limitation, in respect of pension or thrift benefits or payments, individual or supplemental pension benefits or payments or compensation arrangements, contributions to hospitalization or other health, life or other welfare benefits or payments, bonus benefits or payments and vacation, sick leave, disability and termination benefits or payments, including workers' compensation policies. Except as set forth in Schedule 6.16, Seller has not incurred (either directly or indirectly, including as a result of any indemnification obligation) any material liability that could become a liability of Buyer under or pursuant to Title I or IV of ERISA or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans and, to the best knowledge of Seller, no event, transaction or condition has occurred or exists which could result in any such liability. Except as set forth in Schedule 6.16, each of the Plans has been operated and

administered in all material respects in accordance with all applicable laws, including but not limited to ERISA and the Code.

6.17 *The Stations' Assets.* Except for the Excluded Assets, the Stations' Assets, taken as a whole, constitute all of the properties and assets: (a) used or held for use in connection with the Stations; and (b) required for the continued conduct of the business of the Stations as they are currently conducted.

7. *REPRESENTATIONS AND WARRANTIES OF BUYER.* Buyer makes the following representations and warranties to Seller:

7.1 *Organization.* Buyer is a limited liability company organized, validly existing and in good standing under the laws of the State of North Carolina and has full corporate power and authority to conduct its business as currently conducted and proposed to be conducted and to enter into and perform this Agreement.

7.2 *Authorization.* The execution and delivery of this Agreement by Buyer has been duly authorized by all necessary corporate action on the part of Buyer. Evidence of such authorizations reasonably acceptable to Seller shall be delivered to Seller at Closing. This Agreement has been duly executed by Buyer and delivered to Seller and constitutes a legally valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

7.3 *No Breach.* None of (i) the execution, delivery and performance of this Agreement by Buyer, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof 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 organizational documents, any judgment, decree or order binding on Buyer, agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound, or any law, rule or regulation applicable to Buyer.

7.4 *Litigation.* There is no action, suit, investigation or other proceedings pending or, to Buyer's knowledge, threatened which may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement.

7.5 *Qualification as Broadcast Licensee.* As a licensee of commercial radio stations (the "*Buyer's Stations*"), Buyer knows of no fact that would, under the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, disqualify Buyer from becoming the licensee of the Stations or require the waiver of any FCC Rule in order for Buyer to consummate the Transaction. There are no proceedings, complaints, notices of forfeiture, claims, investigations pending, or, to the knowledge of Buyer, threatened against any or in respect of any of the Buyer's Stations that would materially impair the qualifications of Buyer to become a licensee of the Stations or materially delay the prosecution or grant of the Assignment Applications (as defined below).

8. *PRE-CLOSING OBLIGATIONS.* The parties covenant and agree as follows with respect to the Period prior to the Closing Date:

8.1 *Application for Commission Consent.* As soon as possible, but in no event later than ten (10) business days after the date of execution of this Agreement, Seller and Buyer shall join in and file applications requesting the Commission's written consent to the assignment of the Stations' Licenses from Seller to Buyer (the "*Assignment Applications*"), and they will diligently take all steps necessary or desirable and proper to prosecute expeditiously the Assignment Applications and to obtain the Commission's determination that approval of the Assignment Applications will serve the public interest, convenience, and necessity. The failure by either party to timely file or diligently prosecute its portion of the Assignment Applications shall be deemed a material breach of this Agreement.

8.2 *Other Governmental Consents.* Promptly following the execution of this Agreement, Seller and Buyer shall proceed to prepare and file with the appropriate governmental authorities (other than the Commission) such requests, if any, for approval or waiver as may be required from such governmental authorities in connection with the Transaction, and shall jointly, diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers

8.3 *Consents.* Seller shall use its reasonably best efforts (which shall not include the payment of additional fees not expressly contemplated by the applicable Contract) to obtain each of the Required Consents.

8.4 *Confidentiality.* Each party agrees that any and all information learned or obtained by it from the other (and that is not otherwise public or known in the radio broadcast industry) shall be confidential and agrees not to disclose any such information to any person whatsoever other than as is necessary for the purpose of effecting the Transaction or as otherwise required by law.

8.5 *Access.* Between the date hereof and the Closing Date, Seller shall give, upon prior notice, Buyer or representatives of Buyer (including underwriters, lenders, consultants, investors, and legal counsel) reasonable access to the Assets, and to the books and records of Seller relating to the business and operation of the Stations. It is expressly understood that, pursuant to this Section, Buyer, at its sole expense, shall be entitled to make such engineering and environmental inspections of the Stations, and such inspections of the Stations' financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Stations.

8.6 *Operations Prior to Closing.* Between the date of this Agreement and the Closing Date:

(a) Seller shall operate the Stations in the normal and usual manner, generally consistent with Seller's past practice and the rules, regulations, and policies of the Commission, and shall conduct the Stations' business only in the ordinary course. To the extent consistent with such operations, Seller shall use its reasonable best efforts to: (i) maintain the present format of the Stations and the quality of their programs; (ii) keep available for Buyer the services and number of the Stations' present employees reasonably necessary for the operation of the Stations; (iii) preserve the Stations' present customers and business relations; (iv) satisfy and discharge all obligations to provide advertising time on the Stations under all trade and barter agreements; (v) undertake to collect its accounts receivable in

accordance with Seller's normal and customary collection practices; and (vi) maintain the Assets in their present condition (reasonable wear and tear in normal use excepted).

(b) Seller shall maintain its books and records in the usual and ordinary manner, on a basis consistent with prior periods.

(c) Seller shall comply with all laws, rules, ordinances and regulations applicable to it, to the Assets and to the business and operation of the Stations the failure with which to comply could have a material adverse affect on any of the Assets, the Stations, or the business or operations of the Stations.

(d) Seller shall perform all Contracts without material default and shall pay all of Seller's trade accounts payable in a timely manner; *provided, however*, that Seller may dispute, in good faith, any alleged obligation of Seller.

(e) Seller shall not, without the express written consent of Buyer which shall not be unreasonably withheld, and which shall be deemed given in the event Buyer has not responded to a written request therefore within ten (10) days:

(1) sell or agree to sell or otherwise dispose of any of the Assets unless such sale and disposition is consistent with the ordinary course of business and such Assets are replaced prior to Closing by assets of equal or greater worth, quality and utility;

(2) acquiesce in any infringement, unauthorized use or impairment of the Intangible Property or change the Stations' call signs;

(3) enter into any employment contract on behalf of the Stations unless the same is terminable at will by Seller and without penalty to Seller; or

(4) enter into any other contract, lease or agreement that will be binding on Buyer after Closing, except for Operating Contracts and Sales Agreements to the extent consistent with Section 1.3.

8.7 *Adverse Developments.* Seller shall promptly notify Buyer of any materially adverse developments that occur prior to Closing with respect to the Assets or the operation of the Stations; *provided, however*, that Seller's compliance with the disclosure

requirements of this Section 8.7 shall not relieve Seller of any obligation with respect to any representation, warranty or covenant of Seller in this Agreement or waive any condition to Buyer's obligations under this Agreement.

8.8 *Administrative Violations.* If Seller receives any finding, order, complaint, citation or notice prior to the Closing Date which states that any aspect of the Stations' operations violates any rule or regulation of the Commission or of any other governmental authority (an "*Administrative Violation*"), including without limitation any rule or regulation concerning environmental protection, the employment of labor, or equal employment opportunity, Seller shall promptly notify Buyer of the Administrative Violation, use its reasonable efforts to remove or correct the Administrative Violation, and be responsible for the payment of all costs associated therewith, including any fines or back pay that may be asserted.

8.9 *Control of Stations.* This Agreement shall not be consummated until after the Commission has given its written consent thereto, and notwithstanding anything herein to the contrary, between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Stations. Such operations shall be the sole responsibility of Seller.

8.10 *Environmental Audit.* Within thirty (30) days of the date of this Agreement, Buyer may, at Buyer's cost and expense, cause an environmental consulting firm reasonably acceptable to Seller to perform a Phase I environmental assessment (the "Environmental Assessment") of the Real Property and the improvements thereon and shall deliver to a Seller a report prepared by such environmental consulting firm summarizing the results of the Environmental Assessment. Within ten (10) days after Buyer's receipt of said report, Buyer shall notify Seller in writing of each environmental matter identified in said report which is unacceptable to Buyer. Seller shall have the right, but not the obligation, to remedy or cause to be remedied each such environmental matter at its own cost within one hundred twenty (120) days after receipt of such notice from Buyer. If Seller remedies or causes to be remedied

each such environmental matter within such time period to Buyer's reasonable satisfaction, then Buyer shall not have the right to terminate this Agreement pursuant to this Section. If Seller elects not to remedy or cause to be remedied such environmental matters, or if such environmental matters are not remedied within the above referenced one hundred twenty (120) day period to Buyer's reasonable satisfaction, then Buyer shall have the right to terminate this Agreement upon ten (10) days' written notice to Seller, and, upon such termination by Buyer, the Escrow Deposit with all accrued interest thereon shall be released to Buyer.

8.11 *No Solicitation.* Unless and until this Agreement is terminated in accordance with Section 13.1, between the date hereof and the Closing Date, Seller will not, directly or indirectly, initiate, solicit, encourage, entertain, or accept any proposal or offer from any person other than Buyer relating to any acquisition or purchase of any of the Assets, including the Stations' Licenses or any equity interest in Seller, nor will Seller sell, transfer or assign any of the Assets to any person, including the Station's Licensees or any equity interest in Seller during such time.

9. *CONDITIONS PRECEDENT*

9.1 *Mutual Conditions.* Unless otherwise agreed to in writings duly executed by Seller and Buyer, the obligation of both Seller and Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

9.1.1 *Commission Consent.* The Commission shall have granted its consent to the Assignment Applications with no conditions on the assignment of the Stations Licenses and such consent shall have become a Final Order. "*Final Order*" means an order or action of the Commission that, by reason of expiration of time or exhaustion of remedies, is no longer subject to administrative or judicial reconsideration or review.

9.1.2 *Absence of Litigation.* As of the Closing Date, no action, claim, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of the Transaction shall be pending before any court, the Commission, or any other governmental authority; *provided, however,* that this condition may not be invoked by a party if any such action, suit, or

proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

9.2 *Conditions to Buyer's Obligation.* In addition to satisfaction of the mutual conditions contained in Section 9.1, the obligation of Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

9.2.1 *Representations and Warranties.* The representations and warranties of Seller to Buyer shall be true in all material respects as of the Closing Date with the same force and effect as if then made.

9.2.2 *Compliance with Conditions.* All of the terms, conditions and covenants to be complied with or performed by Seller on or before the Closing Date shall have been timely complied with and performed in all material respects.

9.2.3 *Closing Documents.* Seller shall deliver to Buyer all of the closing documents specified in Section 10.2.1, all of which documents shall be dated as of the Closing Date, duly executed, and in a form customary in the state where the Assets are located and reasonably acceptable to Buyer.

9.2.4 *Third Party Consents.* Seller shall have obtained all Required Consents to the assignment of the Material Contracts, as listed and identified as "Consent Required" on Schedule 1.3, such that Buyer will enjoy all of the rights and privileges of Seller under the Contracts subject only to the same obligations as are binding on Seller thereunder, pursuant to the present terms thereof.

9.2.5 *Updated Information.* The Buyer shall have received from Seller updated Schedules to this Agreement as of the Closing Date in a form reasonably satisfactory to the Buyer.

9.2.6 In the event the Closing is scheduled for a date that is on or after August 1, 2003, Seller shall have filed applications for renewal of the Stations' Licenses and Seller shall have obtained from the FCC the grant of its applications for renewal of the Stations'

Licenses without any condition materially adverse to Buyer, other than those conditions which exist as of the date of this Agreement, which grants shall have become a Final Order.

9.2.7 Buyer shall have obtained a preliminary title binder or preliminary title report in the full amount of the Purchase Price allocated to the Real Property issued by a title insurance company recognized as substantial and reliable by institutional investors and lenders generally, agreeing to issue a title policy insuring Buyer's title to be in the condition called for by this Agreement conditioned only upon the recordation of the documents delivered at Closing.

9.3 *Conditions to Seller's Obligations.* In addition to satisfaction of the mutual conditions contained in Section 9.1, the obligation of Seller to consummate this Agreement is subject to satisfaction of each of the following conditions:

9.3.1 *Representations and Warranties.* The representations and warranties of Buyer to Seller shall be true in all material respects as of the Closing Date with the same force and effect as if then made.

9.3.2 *Compliance with Conditions.* All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date shall have been timely complied with and performed in all material respects.

9.3.3 *Payment.* Buyer shall pay Seller the consideration set forth in Section 3.

9.3.4 *Closing Documents.* Buyer shall deliver to Seller all the closing documents specified in Section 10.2.2, all of which documents shall be dated as of the Closing Date, duly executed, and in a form customary in transactions of this type and reasonably satisfactory to Seller.

10. *CLOSING.*

10.1 *Closing Date.* The closing hereunder shall occur on a date five (5) days after the Commission's action granting its consent to the Assignment Application shall have become a Final Order (the "*Closing Date*" or "*Closing*"), or, if agreed to in writing duly

executed by Buyer and Seller, within (30) days after Commission action granting its consent to the Assignment Applications but prior to such consent having become a Final Order. The Closing shall take place at the offices of Buyer's counsel in Raleigh, North Carolina or at such other place as the parties may agree upon, commencing at 10:00 a.m. on the Closing Date.

10.2 *Performance at Closing.* The following documents shall be executed and delivered at Closing:

10.2.1 *By Seller.* Seller shall deliver to Buyer:

(a) A certificate executed by Seller attesting to Seller's compliance with the matters set forth in Sections 9.2.1 and 9.2.2 together with certified copies of the Articles of Incorporation and Bylaws of Seller.

(b) One or more assignments transferring to Buyer all of the interests of Seller in and to the Stations' Licenses and all other licenses, permits, and authorizations issued by any other governmental authorities that are used in or necessary for the lawful operation of the Stations.

(c) One or more bills of sale conveying to Buyer the Stations' Equipment.

(d) One or more assignments, together with all required consents, assigning to Buyer all of the Contracts, the Stations' Records and the Intangible Property.

(e) Resolutions of the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement, certified by the Secretary of Seller.

(f) One or more general warranty deeds, in form customary in the State of North Carolina and otherwise acceptable to Buyer, sufficient to transfer marketable fee simple title to the Real Property to Buyer, and an owner's title insurance affidavit, reasonably satisfactory to Buyer, to a title insurance company designated by Buyer, establishing that the Real Property is free and clear of all liens and claims of lien, or, in the alternative, one or more lien waivers from any person or entity who has filed, or has a right to file, a lien against the Real Property or any portion thereof.

(g) A release of the Escrow Deposit to Seller.

10.2.2 *By Buyer.* Buyer shall deliver to Seller:

(a) A certificate executed by Buyer attesting to Buyer's compliance with the matters set forth in Sections 9.3.1 and 9.3.2, together with appropriate evidence of Buyer's authorization to enter into and consummate this Agreement.

(b) The Purchase Price, less the Escrow Deposit and accrued interest thereon, and a release of the Escrow Deposit and accrued interest thereon to Seller.

(c) Such assumption agreements and other instruments and documents as are required to make, confirm, and evidence Buyer's assumption of and obligation to pay, perform, or discharge Seller's obligations under the Contracts to the extent the same are to be assumed by Buyer pursuant to the terms of this Agreement.

(d) Resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement, certified by the Secretary of Buyer.

10.2.3 *Other Documents and Acts.* The parties will also execute such other documents and perform such other acts, before and after the Closing Date, as may be necessary for the complete implementation and consummation of this Agreement.

11. *INDEMNIFICATION.*

11.1 *Buyer's Right to Indemnification.* Seller undertakes and agrees to indemnify, defend by counsel acceptable to Buyer, and hold harmless Buyer, its parent, affiliates, successors and assigns and their respective directors, officers, employees, shareholders, partners, representatives and agents (hereinafter referred to collectively as "*Buyer Indemnities*") from and against and in respect of any and all direct losses, costs, liabilities, claims, obligations, expenses, including reasonable attorneys' fees, incurred or suffered by a Buyer Indemnitee arising from (i) the claims of third parties with respect to operation of the Stations or ownership of the Assets prior to Closing not expressly assumed by Buyer pursuant to this Agreement or otherwise consented to by Buyer in writing; (ii) a breach, misrepresentation, or other violation of any of Seller's covenants, warranties or representations

contained in this Agreement; and (iii) all liabilities of Seller or the Stations not expressly assumed by Buyer pursuant to this Agreement or otherwise consented to by Buyer in writing. The foregoing indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth but shall not extend to indirect, consequential or punitive damages.

11.2 *Seller's Right to Indemnification.* Buyer undertakes and agrees to indemnify, defend by counsel acceptable to Seller, and hold harmless Seller, its parents, affiliates, successors and assigns and their respective directors, officers, employees shareholders, partners, representatives and agents (hereinafter referred to collectively as "*Seller Indemnities*") from and against and in respect of any and all direct losses, costs, liabilities, claims, obligations, expenses, including reasonable attorneys' fees, incurred or suffered by a Seller Indemnitee arising from (a) the claims of third parties with respect to operation of the Stations or ownership of the Assets after Closing; (b) a breach, misrepresentation, or other violation of any of Buyer's covenants, warranties or representations contained in this Agreement; and (c) all liabilities under the Contracts assumed by Buyer pursuant to this Agreement. The foregoing indemnity is intended by Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth but shall not extend to indirect, consequential or punitive damages.

11.3 *Conduct of Proceedings.* If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification (the "*Indemnified Party*") shall give written notice thereof to the other party (the "*Indemnitor*") within fifteen (15) days after the Indemnified Party learns of the existence of such claim or proceeding; *provided, however*, that the Indemnified Party's failure to timely give the Indemnitor such notice shall not bar the Indemnified Party's rights to indemnification unless such failure has materially prejudiced the Indemnitor's ability to defend the claim or

proceeding. The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such claim or proceeding, or to compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor; provided that the Indemnitor shall not have the right to control the defense of any such claim or proceeding unless it has acknowledged in writing its obligation to indemnify the Indemnified Party fully from all liabilities incurred as a result of such claim or proceeding. 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 the Indemnitor fails to acknowledge in writing its obligation to defend or contest such obligation against or settle such claim or proceeding within twenty (20) days after receiving notice thereof from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall be free to dispose of the matter, at the expense of the Indemnitor, in any way in which the indemnified party deems to be in its best interest.

11.4 *Indemnification Sole Remedy.* Except for specific performance of Seller's obligations to effectively and lawfully convey the Assets to Buyer as provided in this Agreement, the right to indemnification hereunder shall be the exclusive post-Closing remedy of any party in connection with or arising out of this Agreement, including without limitations any breach by another party of its representations, warranties, or covenants in this Agreement.

12. *DEFAULT AND REMEDIES.*

12.1 *Breach and Opportunity to Cure.* If either party believes the other to be in default hereunder, the non-defaulting party shall provide the defaulting party with notice specifying in reasonable detail the nature of such default. If such default has not been cured by the earlier of: (a) the Closing Date, or (b) within twenty-one (21) days after delivery of such notice, then the party giving such notice may (x) terminate this Agreement and/or (y) exercise the remedies available to such party pursuant to Section 12.2 or 12.3, subject to the right of the other party to contest such action through appropriate proceedings.

12.2 *Seller's Remedies.* Subject to Buyer's opportunity to cure in Section 12.1, Buyer recognizes that if the Transaction is not consummated as a result of Buyer's material default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. The parties, therefore, agree that if this Agreement is not consummated due to the material default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to the Escrow Deposit and the accrued interest thereon.

12.3 *Buyer's Remedies.* Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer would be irreparably injured if this Agreement is not specifically enforced after default. Therefore, Subject to Seller's opportunity to cure in Section 12.1, Buyer shall have the right to specifically enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Escrow Deposit and the accrued interest thereon and to recover Buyer's damages.

13. *TERMINATION.*

13.1 *Absence of Commission Consent.* This Agreement may be terminated at the option of either party upon notice to the other if an order approving the Assignment Application has not been obtained within one (1) year after the date of this Agreement; *provided, however,* that neither party may terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the Commission respecting the Assignment Applications has been caused or materially contributed to by such party's action or inaction with respect to the Application. In the event of termination pursuant to this Section, the Escrow Deposit and all accrued interest thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder unless the failure to

obtain such order is attributable to Buyer, as provided in this Section, and Seller is not in default and has otherwise complied with its obligations under this Agreement, in which case the Escrow Deposit shall be released to Seller as liquidated damages pursuant to Section 12.2 and the accrued interest returned to Buyer.

13.2 *Designation for Hearing.* The time for Commission approval provided in Section 13.1 notwithstanding, either party may terminate this Agreement upon notice to the other, if, for any reason, the Assignment Applications is designated for hearing by the Commission, *provided, however*, that notice of termination must be given within twenty (20) days after release of the hearing designation order and that the party giving such notice is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section 13.2, the Escrow Deposit shall be returned to Buyer with all accrued interest and the parties shall be released and discharged from any further obligation hereunder.

13.3 *Risk of Loss.* The risk of loss or damage to the Assets shall be upon Seller at all times prior to the consummation of the Closing. In the event of loss or damage, Seller shall promptly notify Buyer thereof and use its reasonable best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If such repair, replacement, or restoration has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Transaction in which event Seller shall assign to Buyer all of Seller's rights to insurance proceeds related to such casualty under any applicable insurance policies; or

(b) elect to postpone the Closing Date, with prior consent of the Commission if necessary, which consent both parties will use their reasonable best efforts to obtain, for such reasonable period of time (not to exceed ninety (90) days) as is necessary for Seller if Seller so elects in its sole discretion to repair, replace, or restore the lost or damaged property to its former condition. If, after the expiration of that extension period, the lost or

damaged property has not been adequately repaired, replaced or restored, Buyer may terminate this Agreement, and the parties shall be released and discharged from any further obligation hereunder.

13.4 *Resolution of Disagreements.* 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 Section 13.3, 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, binding upon and non-appealable by the parties, and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer.

14. *GENERAL PROVISIONS.*

14.1 *Brokerage.* Each party represents to the other that it has retained no brokers in connection with the Transaction. The parties agree to 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 the indemnifying party.

14.2 *Expenses.* Except as otherwise provided herein, all expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring the same whether or not the Transaction is consummated. All Commission filing fees for the Assignment Application shall be shared equally by Buyer and Seller. Seller shall make the payments for Commission filing fees and Buyer shall reimburse Seller for its portion of such payments. All recording costs for instruments of transfer, and all stamp, sales, use and transfer taxes shall be paid by Seller.

14.3 *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 (which shall include delivery by Federal Express or other nationally recognized,

reputable overnight courier service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, or three (3) business days after the date mailed by certified or registered U.S. mail, return receipt requested, postage prepaid, addressed as follows:

(a) If to Seller:

Mollie B. Evans
Franklin Broadcasting Company, Inc.
495 Highway 561 East
PO Box 463
Louisburg, North Carolina 27549

(b) If to Buyer:

Donald W. Curtis
New Century Media Group, LLC
3012 Highwoods Blvd., Suite 201
Raleigh, North Carolina 27604

Any party may change its address for notices by notice to the others given pursuant to this Section.

14.4 *Attorneys' Fees.* If any party initiates any litigation against any other involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

14.5 *Survival of Representations, Warranties and Indemnification Rights.* The several representations and warranties of the parties contained herein, and the parties respective indemnification rights pursuant to Section 11, shall survive the Closing for a period of twelve (12) months, at which time, the same shall expire (except for claims asserted during such twelve (12) month period), except the representations and warranties in Section 6.7 (Environmental Matters), which shall survive for a period equal to the applicable statute of

limitations, provided that if any claim is made by Buyer within that time period, such claim shall survive without limitation until resolved.

14.6 *Waiver.* Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by any other of any provisions of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by any party of any default by any other shall be valid unless in writing and acknowledged by an authorized representative of the non-defaulting party, and no such waiver shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

14.7 *Assignment.* No party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld, except: (i) Buyer may assign its rights and obligations to a corporation, partnership or other business entity that controls, is controlled by, or is under common control with Buyer, provided that Buyer shall remain liable for all obligations under this Agreement, and (ii) Buyer may make a collateral assignment of its rights under this Agreement to any lender who provides funds to Buyer for the acquisition or operation of the Stations. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

14.8 *Entire Agreement.* This Agreement, the Exhibit and Schedules hereto (which are incorporated by reference herein), constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, supersede and terminate any prior agreements between the parties (written or oral). This Agreement may not be altered or amended except by an instrument in writing signed by all parties hereto.

14.9 *Counterparts.* This Agreement may be signed in any number of counterparts with the same effect as if the signatures on each such counterpart were on the same instrument.

14.10 *Construction.* The Section headings of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement. As used herein, the neuter gender shall also denote the masculine and feminine, and the masculine gender shall also denote the neuter and feminine, where the context so permits, and "knowledge" of a party means only the actual knowledge and awareness of the executive officers of such party.

14.11 *Schedules and Exhibits.* The Schedules and Exhibits to this Agreement are a material part of this Agreement.

14.12 *Severability.* If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable in any respect, 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 term, as so modified, and the balance of this Agreement shall then be fully enforceable.

14.13 *Choice of Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the choice of law rules utilized in that jurisdiction.

14.14 *Interpretation.* Each party jointly negotiated and prepared this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any of this Agreement shall be interpreted or construed against the party who drafted that provision.

14.15 *Public Statements.* Prior to the Closing Date, neither Seller nor Buyer shall, without the prior written approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement except: (a) Seller and Buyer shall issue a mutually agreeable public announcement press release promptly after the signing of this Agreement; and (b) to the extent that either party shall be so obligated by law, in which case the other party shall be so advised and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

14.16 *Time of the Essence.* Time is of the essence of this Agreement.

14.17 *Like-Kind Exchange.* Seller acknowledges that Buyer, at Buyer's option, may wish to desire to make a qualified, tax-deferred exchange of its interest in certain property of like-kind with the Assets pursuant to and in accordance with section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). In such event, Seller shall cooperate with Buyer in enabling Buyer to effectuate the acquisition of the Assets pursuant to this Agreement as part of a like-kind exchange pursuant to section 1031 of the Code. Without limiting the generality of the foregoing, Seller agrees that Buyer may assign its rights, in whole or in part, under this Agreement to a qualified intermediary reasonably acceptable to Seller (the "Qualified Intermediary") with whom Buyer enters into an exchange agreement, providing among other things for: (a) the Qualified Intermediary's acquisition from Buyer of Buyer's assets that are of like-kind with the Assets and transfer of such assets to a third party; and (b) the Qualified Intermediary's acquisition from Seller of the Assets pursuant to this Agreement and transfer of the Assets to Buyer, all within the meaning of and as contemplated by Treasury Regulation Section 1.1031(k)-1(g). Notwithstanding any assignment of this Agreement by Buyer to a Qualified Intermediary, (a) all representations, warranties, covenants, and agreements made in this Agreement by Seller for the benefit of Buyer shall remain for the benefit of, and shall be enforceable by, Buyer, and (b) Buyer shall remain liable to Seller for all Buyer's obligations hereunder.

14.18 *Guaranty Agreement.* Guarantor hereby guarantees to Seller Buyer's obligation to pay the Purchase Price set forth in Section 3.1.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed
by a respective duly authorized officer as of the date first written above.


SELLER:

FRANKLIN BROADCASTING
COMPANY, INC.

By: _____
Mollie B. Evans
Chairman of the Board
Secretary & Treasurer

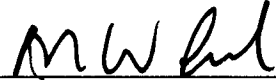
BUYER:

NEW CENTURY MEDIA GROUP, LLC

By:  _____
Donald W. Curtis
Member/Manager

GUARANTOR:

CURTIS MEDIA GROUP, INC.

By:  _____
Donald W. Curtis
President

intermediary reasonably acceptable to Seller (the "Qualified Intermediary") with whom Buyer enters into an exchange agreement, providing among other things for: (a) the Qualified Intermediary's acquisition from Buyer of Buyer's assets that are of like-kind with the Assets and transfer of such assets to a third party; and (b) the Qualified Intermediary's acquisition from Seller of the Assets pursuant to this Agreement and transfer of the Assets to Buyer, all within the meaning of and as contemplated by Treasury Regulation Section 1.1031(k)-1(g). Notwithstanding any assignment of this Agreement by Buyer to a Qualified Intermediary, (a) all representations, warranties, covenants, and agreements made in this Agreement by Seller for the benefit of Buyer shall remain for the benefit of, and shall be enforceable by, Buyer, and (b) Buyer shall remain liable to Seller for all Buyer's obligations hereunder.

14.18 *Guaranty Agreement.* Guarantor hereby guarantees to Seller Buyer's obligation to pay the Purchase Price set forth in Section 3.1.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a respective duly authorized officer as of the date first written above.

SELLER:

FRANKLIN BROADCASTING
COMPANY, INC.

By: 

Mollie B. Evans
Chairman of the Board
Secretary & Treasurer

BUYER:

NEW CENTURY MEDIA GROUP, LLC

By:

Donald W. Curtis
Member/Manager

GUARANTOR:

CURTIS MEDIA GROUP, INC.

By:

Donald W. Curtis
President

STATE OF NORTH CAROLINA

COUNTY OF Franklin

I, Michelle Hines-Egan, a Notary Public of the County and State aforesaid, certify that Mollie B. Egan personally came before me this day and acknowledged that she/he is Sec. & Treas. of FRANKLIN BROADCASTING COMPANY, INC. and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name, and attested by her/him as its Secretary & Treasurer & Chairman of the Board

WITNESS my hand and official stamp or seal, this 29th day of January 2003.

Michelle Hines-Egan
Notary Public

My Commission Expires:

3-29-07

[NOTARY SEAL]

STATE OF NORTH CAROLINA

COUNTY OF Franklin

STATE OF NORTH CAROLINA

COUNTY OF Wake

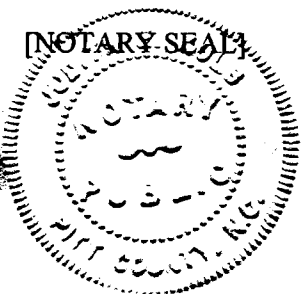
I, Judith E Kolt, a Notary Public of the County and State aforesaid, certify that Donald W. Curtis personally came before me this day and acknowledged that he is sole member and manager of NEW CENTURY MEDIA GROUP, LLC, and that, by authority duly given and as the act of the company, the foregoing instrument was signed in its name, and attested by him as its sole member and manager.

WITNESS my hand and official stamp or seal, this 29 day of January 2003.

5-25-05
My Commission Expires:

Judith E Kolt
Notary Public

NOTARY SEAL



STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Judith E Kolb, a Notary Public of the County and State aforesaid, certify that Donald W. Curtis personally came before me this day and acknowledged that he is President of CURTIS MEDIA GROUP, INC, and that, by authority duly given and as the act of the company, the foregoing instrument was signed in its name, and attested by him as its President.

WITNESS my hand and official stamp or seal, this 29 day of January, 2003.

5-25-05
My Commission Expires:

Judith E Kolb
Notary Public

