

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), made and entered into as of this 25th day of July, 2011, by and between **Carolina Christian Radio, Inc.**, a North Carolina nonprofit corporation ("Seller"), and **CTC Media Group, Inc.**, a North Carolina corporation ("Buyer").

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain assets owned by Seller that are used or useful in the operation of Translator W280ED, New Bern, North Carolina, FCC Facility ID No. 148018 (The "Translator"), subject to the terms and conditions set forth herein; and

WHEREAS, the prior approval of the FCC is required prior to such sale and purchase.

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the parties agree as follows:

1. **Assets to be Sold.** The items to be sold and assigned to Buyer are: (a) the FCC license for the Translator, W280ED (the "FCC License" or "License"); and (b) the Translator equipment listed in Exhibit "A" attached (collectively the "Purchased Assets").
2. **Closing and Payment.** The closing of the sale and purchase (the "Closing") will occur on a date of Buyer's choosing (the "Closing Date") which shall occur no later than **five (5) days** after the FCC order approving the assignment of the license. As consideration for the Purchased Assets, the total purchase price to be paid by Buyer shall be **Thirty Thousand Dollars (\$30,000.00)** (the "Purchase Price"). The Purchase Price shall be paid in cash at Closing, except as provided below or unless otherwise agreed upon by Seller. Buyer will deliver a deposit (the "Escrow Deposit") of **Six Thousand Dollars (\$6,000.00)** as a down payment as follows: **Three Thousand Dollars (\$3,000.00)** at the signing of the Sales Agreement and upon filing with the FCC and **Three Thousand Dollars (\$3,000.00)** when transfer is consummated to Seller. The Escrow Deposit shall remain in escrow and will be released to Seller and credited toward the Purchase Price upon closing of the transaction. If this Agreement is terminated and Buyer is not then in default, the Escrow Deposit will be returned to Buyer. Said deposit is a part of the Purchase Price and the balance of **Twenty Four Thousand Dollars (\$24,000.00)** will be paid in 60 monthly payments of \$463.99, which includes 6.0% interest, after the tower lease has been completed on August 1, 2012.
3. **FCC Applications.** The parties will cooperate in filing an appropriate application with the FCC within **ten (10) days** of the execution of this Agreement for (a) the assignment of the License from Seller to Buyer; and (b) a construction permit to move the Translator to a new location.
4. **Assumption of Tower Lease.** Buyer agrees to assume the obligations of the tower lease agreement with Crown Castle, also known as Pinnacle Tower's LLC, a copy of which lease is attached as Exhibit "B"; Seller agrees to cooperate in the transfer and assumption of the lease.
5. **Liabilities.** Buyer shall not assume any obligations or liabilities of Seller in connection with the

Licenses and Purchased Assets.

6. **Representation and Warranties.** In addition to any and all other representations, warranties, and covenants made by Seller in this Agreement, or in any agreement, document, or instrument delivered or to be delivered by Seller pursuant to this Agreement, 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 (except for those which expressly relate only to the date of this Agreement), each of which shall survive the Closing.
- A. **Authority.** Seller has all power and authority to own, lease, and use all of its assets and properties and to carry on its businesses as they are now conducted. Seller has all power and authority to make, execute, deliver this Agreement and the other agreements, documents, and instruments required or contemplated hereunder, and to perform each of its obligations under this Agreement and the other agreements, documents, and instruments required or contemplated hereunder. Seller has received all required consents of third parties which, if not obtained, would have a material adverse effect on the Purchased assets, the FCC License, and/or Buyer's acquisition of any of the foregoing, and will not conflict with, result in any breach of, or entitle any party to terminate, or call a default with respect to, any contract, agreement, lease, instrument, judgment, order, decree, law, rule, or regulation applicable to Seller, except those which will not have a material adverse effect on the Purchased Assets or Buyer's acquisition of the Purchased Assets. This Agreement constitutes, and the other instruments and documents to be delivered by Seller hereunder will constitute, the valid and binding obligations of Seller enforceable in accordance with their respective terms.
- B. **Title.** Seller, upon knowledge and belief, has good and marketable title to all of the Purchased Assets, free and clear of all liens, encumbrances, mortgages, security interests, charges, claims, and pledges. The representations, warranties, and covenants contained in this paragraph shall survive for the duration of the statute of limitations applicable to a claim alleging a violation of thereof.
- C. **Agreements.** There are no oral or written agreements pertaining to Seller's ownership or operation of the Translator that will be assigned to Buyer at Closing.
- D. **Judgments.** There are no outstanding orders, judgments, injunctions, awards, or decrees of any court, arbitrator or governmental or regulatory agency against Seller which is an actual or potential lien, charge, or encumbrance on any one or more of the Purchased Assets.
- E. **Licenses.** To the best of Seller's knowledge and belief, all licenses, permits, authorizations, franchises, certificates of compliance, and consents of governmental bodies, including, without limitation, the FCC License, used or useful in the operation of the Translator as it is now being operated are (a) in full force and effect, (b) unimpaired by any acts or omissions of the Seller or Seller's employees or agents, and (c) free and clear of any restrictions which might limit the full operation of the Translator. To the best of Seller's knowledge and belief, no condition exists or event has occurred that permits, or after notice or lapse of time, or both, would permit, the revocation or termination of any such license, permit, consent, franchise, or authorization (other than pursuant to their

express expiration date) or the imposition of any material restriction or limitation upon the operation of the Translator as now conducted. Seller is not aware of any reason why the FCC License might be revoked or not be renewed in the ordinary course. To the best of Seller's knowledge and belief, (a) Seller is in compliance with the FCC's rules and policies on radio frequency radiation; and (b) renewal of the FCC License would not constitute a major environmental action under the FCC's rules or policies. To Seller's knowledge, Seller is not the subject of any FCC or other governmental investigation or any notice of violation, notice of apparent liability or order, or any material complaint, objection, petition to deny, or opposition issued by or filed with the FCC or any other governmental authority in connection with the operation of or authorization for the Translator, and there are no proceedings (other than rule making proceedings of general applicability) before the FCC or any other governmental authority, brought by any party, that could adversely affect the FCC Licenses or authorizations. Seller has filed with the FCC and all other governmental authorities having jurisdiction over the Translator all material reports, applications, documents, instruments, and other information required to be filed, and will continue to make such filings through the Closing Date. Seller is not aware of any information concerning the Translator that could cause the FCC or any other regulatory authority not to issue all regulatory certificates and approvals necessary for the consummation of the transactions contemplated hereunder or the Buyer's operation and/or ownership of the Translator.

- F. **Litigation.** There are no actions, suits, investigations, claims, or proceedings, including arbitration proceedings, whether or not the defense thereof or liabilities in respect thereof are covered by insurance, pending, or to the best of Seller's knowledge threatened, against Seller, the FCC License, or any of the Purchased Assets, and, to Seller's knowledge, there is no basis for any such action or proceeding.
- G. **Environmental.** To the best of Seller's knowledge and belief, there is no basis for imposition of any liability against Seller or the Purchased Assets arising out of Seller's failure to comply with any applicable Environmental Laws. As used herein, the term "Environmental Laws" means any 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 or any other governing authority; (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.
- H. **Business Operations.** There has not been any other material occurrence, event, incident, action, failure to act, or transaction outside the ordinary course of business involving Seller's operation of the Translator. Seller has not applied to the FCC for any modification of the FCC License or failed to take any action necessary to preserve the FCC License and has operated the Translator in compliance therewith and with all FCC rules and regulations.
7. **Termination.** This Agreement may be terminated in the event the FCC denies the assignment of the License to Buyer, or upon the mutual agreement of the parties.

8. **Publicity and Confidentiality.** Prior to, and in connection with, the Closing of the transaction contemplated herein, no party shall issue any statement or communication to the public regarding such transaction without consent of the other party, which consent shall not be unreasonably withheld, provided that this restriction shall be subject to each party's compliance with applicable law and in connection with the applicable FCC application. The parties further agree that this Agreement and the proposed transaction contemplated hereby are confidential in nature and shall not be disclosed by either party to any third party without the prior written consent of the other party hereto, except for disclosures as necessary to either party's accountants, attorneys, financial advisers, lenders, and other consultants and advisers in connection with this transaction and except as required by applicable law, including FCC rules.
9. **Transaction Costs.** Each party shall pay its fees and expenses and those of its agents, counsel, and advisors with respect to the contemplated transaction irrespective of whether the transaction is consummated. Buyer and Seller shall split equally the cost of all FCC filing fees.
10. **Counterparts: Governing Law.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to the application of any choice of law principles that may otherwise cause application of the law of another jurisdiction.
11. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and may not be amended unless such amendment is in writing and signed by both parties.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper officers thereunto duly authorized as of the day and year first above written.

SELLER:

Carolina Christian Radio, Inc.

By: Jim Stephens
Name: Jim Stephens
Its: President

BUYER:

CTC Media Group, Inc.

By: Lae Affabul
Name: Lae Affabul
Its: President