

CAP COMMUNICATIONS
P.O. Box 5757, Emerywood Station
High Point, North Carolina 27262

March 16, 2002

Mr. Charles H. Welch
President
Mid-Carolina Broadcasting Co.
1525 Jake Alexander Blvd. West
Salisbury, NC 28144

Dear Mr. Welch:

The undersigned, ("Buyer"), hereby offers to purchase from you ("Seller") certain of Seller's assets associated with the operation of Radio Station WSAT(AM), Salisbury, North Carolina (FCC Facility ID No. 43140) ("Station"), on the terms and subject to the conditions set forth herein. All previous letters dated March 4 and March 14, 2002, shall become void upon signing of this letter of intent.

1. ASSETS TO BE PURCHASED

Buyer will purchase all of the assets, tangible and intangible, real, personal, or mixed, including, but not limited to the building, towers, all equipment, bookkeeping records, CD's, music library, production aids, sales records and FCC licenses for the operation of Station (the Assets) used and/or useful in the operation of the Station; the Assets exclude cash and accounts receivable and the land on which the building and towers are situated at 1525 Jake Alexander Blvd., Salisbury, NC (the "Site"). As a condition of the Closing, Seller shall cause the owner of the Site to enter into a 20-year lease with Buyer for the use of the land. At the Closing, the Assets are to be free and clear of any debts, liens, or encumbrances of any kind or nature whatsoever except as to any obligation or liability of Seller that Buyer may expressly agree in writing to assume. The Assets shall be delivered to Buyer at the Closing such that Buyer's lender can take a first lien security interest in the Assets.

2. PURCHASE PRICE/PAYMENT TERMS

The aggregate consideration to be paid by Buyer to Seller for the Assets and Station licenses is THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000.00) payable in immediately available funds at the Closing. Buyer has delivered to Seller its Check No. 1001 in the amount of TWENTY THOUSAND DOLLARS \$20,000.00 dated March 4, 2002, as an Earnest Money Deposit which shall be credited to the purchase price at closing.

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3. FEES/EXPENSES

Attorney and FCC Filing Fees will be shared equally between Buyer and Seller.

4. NO BROKER

Buyer and Seller warrant to each other that neither has engaged the services of a broker or finder in connection with this transaction.

5. PRORATIONS

Vacation and other fringe benefit accruals for employees whose employment is continued by Buyer after the date of closing will be prorated to the date of closing. All taxes and assessments, utility bills, and all other ongoing costs of usual operations of Station shall be prorated to the date of closing, and the prorated amount shall be credited against the purchase price.

6. WARRANTIES

Seller warrants that it has the right to assign the license of Station to Buyer, and that the broadcasting equipment of the Station is, and will be on the date of closing, operating in conformance with the requirements of the Stations' licenses and applicable rules of the Federal Communications Commission (FCC).

7. CONTINGENCIES

This transaction is contingent upon:

(a) Execution of the formal Asset Purchase Agreement reasonably acceptable to Buyer and Seller, embodying the terms of this offer and containing such other provisions mutually acceptable to both parties as are usual and customary in such agreements by May 1, 2002. The Earnest Money Deposit shall be refunded to Buyer in full in the event a formal Asset Purchase Agreement is not executed within the time limit set forth above, or if the Closing does not occur through no fault of Buyer.

(b) The prior approval of the FCC to the assignment of Station's license from Seller to Buyer.

(c) The assignment in form satisfactory to Buyer of all leases, contracts, and license agreements.

(d) Execution of a land lease in form satisfactory to Buyer for a period of 20 years on the Site at a monthly rental of \$ _____ *1/2 Annual top due each month with city and county.*

(e) Completion of a customary due diligence inspection of the Assets satisfactory to Buyer.

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(f) Approval of this transaction by Buyer's lenders.

8. RECEIVABLES

On the date of closing of the Asset Purchase Agreement, Seller shall deliver to Buyer a list of all accounts receivable due Station for the sale of advertising time through the date of closing. Collection of receivables then become the responsibility of the Buyer and will be collected and remitted at the end of 120 days following the Closing.

9. MISCELLANEOUS

No later than 5 days after execution of the formal Asset Purchase Agreement, Buyer and Seller will join in an application to the FCC seeking consent to the assignment of Station's license to Buyer.

Closing will take place on a mutually acceptable date within 10 days after consent to the assignment has been granted by the FCC, and the Commission's order has become "final".

From the date hereof until the Closing, Seller will give Buyer and its agents, accountants and attorneys, during regular business hours, access to the premises of the Station, its books and records, and furnish to Buyer such information respecting the Assets and financial condition of Seller as Buyer may reasonably request. Buyer agrees to maintain any information so inspected in confidence and will not use it for any purpose except in furtherance of the transactions contemplated by this letter. If this transaction should not proceed to Closing, Buyer will return to Seller all information so acquired.

This offer will expire at _____ p.m., Eastern Time, on _____, 19__.

[SIGNATURES ON NEXT PAGE]

Offered by: CAP COMMUNICATIONS



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Charles A. Poole, President

Date: March 16, 2002

WSAT, INC.

Accepted by: Charles H. Welch (SEAL)
Charles H. Welch, President

Date: _____

7(d) Execution of a land lease in form satisfactory to Buyer for a period of 20 years on the Site at a monthly rental fee of the cost of the annual taxes, both city and county. If yearly taxes decrease, lease payments decrease. If yearly taxes increase, lease payment increases.

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