

ASSIGNOR'S EXHIBIT 3

Submitted herewith is the Asset Purchase Agreement between Jacksonville Topsail Radio, LLC as Seller and Heritage Broadcasting, LLC as Buyer. Also submitted is an April 17, 2001 Amendment to Asset Purchase Agreement.

Included with the Asset Purchase Agreement is Schedule B, listing the FCC license to be assigned and assumed. Intentionally omitted from the FCC and public file copies of the Asset Purchase Agreement is Schedule A (inventory of assets), Schedule C (contracts and agreements), Schedule D (real property), Schedule E (excluded assets) and Exhibit F (Escrow Agreement). We respectfully submit that these materials are not germane to FCC or public scrutiny of this transaction.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made and entered into this ____ day of March 2001, by and between **Jacksonville Topsail Radio, LLC**, a North Carolina limited liability company ("Seller") and **Heritage Broadcasting, LLC**, a North Carolina limited liability company ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee and operator of radio broadcast station WJNC(AM), Jacksonville, North Carolina (the "Station"); and

WHEREAS, Seller desires to sell and assign and Buyer desires to purchase and acquire the Station as an on-going business, including the Station's licenses and certain property and assets of Seller used or useful in the operation of the Station; and

WHEREAS, the licenses issued by the Federal Communications Commission ("Commission" or "FCC") for the operation of the Station may not be assigned to Buyer without the prior written consent of the Commission.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. SALE OF ASSETS AND ASSIGNMENT OF LICENSES

At the Closing, and subject to the provisions of Paragraph 2 hereof, Seller shall sell, assign and transfer to Buyer and Buyer shall purchase from Seller all of Seller's assets used or useful in the operation of the Station or the conduct of its business, including but not limited to the following ("Assets"), free and clear of liens, encumbrances, and other security interests except as specifically provided herein:

A. **Tangible Personalty**: All the fixed and tangible personal property owned by Seller, used or useful in the operation of the Station including but not limited to that listed in Exhibit A hereto, less any property consumed, depleted or otherwise disposed of in the ordinary course of business, and all similar tangible property acquired by Seller in the ordinary course of business prior to the Closing Date (the "Tangible Personalty").

B. **Licenses and Authorizations**: All licenses, permits, permissions and other authorizations as listed in Exhibit B hereto (including without limitation the use of the Station's call letters) which are issued by the Commission and other governmental agencies and that are associated with the operation of the Station, and all applications for modification, extension or renewal thereof pending on the Closing Date (the "Licenses").

C. **Agreements, Leases and Contracts**: The rights of Seller under (1) all agreements, leases or contracts, written or oral, listed in Exhibit C hereto (including all

agreements for the broadcast of advertising over the Station in exchange for goods or services other than cash ("Trade Agreements")) which are in effect on the Closing Date and which, by notation on Exhibit C, Buyer expressly agrees to assume, (2) all contracts for the sale of air time for cash consistent with the Station's customary terms, rates and selling practices that are in effect on the Closing Date, and (3) all contracts entered into by Seller between the date hereof and the Closing Date, to the extent expressly permitted hereunder (collectively, the "Contracts").

D. **Real Estate and Fixtures:** The real property upon which the Station's studios, transmitter towers, appurtenances and related equipment are located (the "Real Property"), together with all buildings, towers, guy wires, anchors, associated structures and appurtenances located on the Real Property (collectively, the "Fixtures"), all as listed in Exhibit D and either a permanent easement for access to the foregoing facilities on, or title to, the present access roads.

E. **Intangible Personal Property:** All trademarks, service marks, copyrights, trade names, common law property rights, good will and all other intangible personal property owned by Seller and used by it in connection with the operation of the Station (the "Intangible Property").

F. **Records:** Such of Seller's files, logs, books of account, tax returns and other records relating to the operation of the Station as Buyer may reasonably require other than corporate records of Seller (the "Records"). The Seller will be permitted to retain or obtain copies of all Records as needed for tax and financial purposes at Seller's cost. If required for tax audits or other reasonable needs of the Buyer, the Seller will furnish to the Buyer at Buyer's cost copies of all other records the Seller will retain which are reasonably requested by the Buyer.

2. **ASSETS EXCLUDED**

It is understood and agreed that the Assets purchased pursuant to this Agreement shall not include cash on hand, cash equivalents and accounts receivable of the Seller, together with any assets listed on Exhibit E hereto.

3. **PURCHASE PRICE AND TERMS**

The purchase price for the Assets is Three Hundred Fifty-Eight Thousand Five Hundred Dollars (\$358,500), subject to the adjustments set forth in Paragraph 4 hereof (the "Purchase Price"). The Purchase Price is to be allocated among the Assets in a manner to be agreed upon by the Buyer and Seller prior to the Closing hereof. Should the parties fail to so agree, then the matter shall be resolved by mutual agreement between Seller's and Buyer's respective CPA's, or, in the absence of such agreement, shall be submitted to binding arbitration by a CPA to be selected by Seller's and Buyer's respective CPA's. Seller shall prepare and file IRS Form 8594 consistent

with such allocation in time for Buyer to prepare and submit its income tax forms in a timely manner. The Purchase Price shall be payable as follows:

A. Upon execution of this Agreement, Buyer shall place the sum of Fifteen Thousand Dollars (\$15,000) (the "Escrow Deposit") in escrow with Snowden Associates, ("Escrow Agent") to be held in escrow in accordance with the Escrow Agreement attached hereto as Exhibit F.

B. At the Closing, Buyer shall pay to Seller in cash or in such cash equivalent as Seller may reasonably request the sum of Three Hundred Fifty-Eight Thousand Five Hundred Dollars (\$358,500) less the Escrow Deposit and (ii) plus or minus the net amount of the adjustments, as set forth in Paragraph 4 hereof.

4. **PRORATIONS AND ADJUSTMENTS**

All personal property and employment taxes, prepaid insurance premiums (to the extent Buyer assumes such insurance), deposits (including lease deposits), utility charges, contracts to be assigned to and assumed by Buyer, and income and operating expenses of the Station shall be prorated between Buyer and Seller as of the Closing Date. Buyer shall receive a credit against the Purchase Price for any amount by which the net amount owed to advertisers exceeds the value of goods or services to be received following the Closing Date under the Trade Agreements. Insofar as feasible, prorations under this paragraph shall be determined and paid on the Closing Date, with a final accounting of prorated items, and the sum due from one party to another pursuant to this proration paid, within sixty (60) days after the Closing Date.

5. **EXPENSES**

Each party shall bear its own legal, engineering and accounting fees and other costs and expenses with respect to the transaction. Recording fees, documentary stamp taxes, revenue stamps and all other similar charges on conveyances from Seller to Buyer, if any, will be paid by Seller or Buyer according to prevailing custom in the State of North Carolina. The FCC fee for filing the application described in Paragraph 8 hereof shall be paid one-half by each of Buyer and Seller.

6. **ASSUMPTION OF CERTAIN LIABILITIES**

At the Closing Buyer shall assume all of the Contracts which by the terms thereof require the payment of money or the performance of other obligations after 12:01 a.m., Jacksonville, North Carolina time on the Closing Date. Buyer specifically does not assume responsibility for (a) any of Seller's liens, taxes, debts, accounts payable or contracts other than the Contracts and (b) any employment contracts to which the Seller or the Station may be a party,

severance pay, retirement plans, or similar obligations. The parties expressly acknowledge that the Contracts to be assumed by Buyer hereunder shall include that certain WJNC Tower Lease Agreement between Seller as Lessor and Onsville, Inc as Lessee dated August 31, 1998

7. **ACCOUNTS RECEIVABLE**

At the Closing, Seller shall turn over to Buyer, for collection only, the Station's accounts receivable owing to Seller as of the Closing Date. So long as the Seller's accounts receivable have been assigned to Buyer for purposes of collection, Seller and its agents shall make no attempt to solicit the accounts for purposes of collection. Buyer agrees to use its best efforts to collect these accounts for a period of two (2) months after the Closing Date; however, such extraordinary means as litigation and use of collection agencies shall not be required. As payments are received, they shall be credited against the earliest charge against that account ("first in, first out"), provided, however, that if an advertiser makes a good faith protest without prompting from Buyer against a charge which is for the benefit of Seller, Buyer may return such account to Seller and thereby be relieved of all further obligation with respect to such account receivable. At the end of the first and second month following the Closing Date, Buyer shall provide Seller an accounting of collections received on Seller's accounts receivable and shall remit to Seller the amount thereof, less a five percent (5%) collection fee. Two months after the Closing Date, Buyer shall turn back to Seller all accounts receivable owing to Seller which have not yet been collected, and Buyer shall thereafter be discharged from all responsibility for collecting Seller's accounts receivable.

8. **FILING OF FCC APPLICATION**

Buyer and Seller agree to proceed no later than ten (10) days from execution hereof to file an application requesting FCC consent to the transactions herein set forth (the "Application"). The parties agree to prosecute the Application, defend it against challenges and file any amendments or additional information requested by the FCC, all in good faith and with due diligence, such that it may be granted, and such grant may become a Final Order as expeditiously as possible. A "Final Order" shall mean an FCC grant that is no longer subject to review, reconsideration or appeal by the FCC or any court of competent jurisdiction.

9. **TERMINATION**

This Agreement may be terminated as follows:

A. If the Closing hereunder shall not have occurred by December 31, 2001, either Buyer or Seller may terminate this entire Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder.

B. If the Commission designates the Application for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing, provided, however, that the hearing is not a proximate result of the failure of the party seeking to terminate to have prosecuted the Application diligently and in good faith or to have satisfied a Commission request for additional information.

C. Either party may terminate this Agreement if the other shall be in material breach hereof and if the said breach shall not have been cured within ten (10) days of written notice thereof by the party seeking to terminate, provided, however, that if any such breach is not reasonably susceptible of being cured within ten days, then the party in breach shall have undertaken to cure the breach with all reasonable diligence and shall have cured the breach as promptly as is reasonably practicable.

D. Buyer may terminate this Agreement pursuant to Paragraphs 10.D or 14 hereof.

10. **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization:** Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of North Carolina, is authorized to do business in the State of North Carolina, and has full power and authority to enter into and perform this Agreement.

B. **Authorization:** The execution, delivery and performance of this Agreement have been duly authorized by all of the members of Seller, and constitutes a valid and binding Agreement of Seller, enforceable in accordance with its terms.

C. **No Contravention:** The execution, delivery and performance of this Agreement by Seller will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of any agreement or other instrument to which Seller or any of its principals is a party or by which it or they or any of the Assets is bound or affected.

D. **Real Property:** The Real Property is all of the real property required to operate the Station (a) in the manner in which it is presently operated and (b) as authorized by the Licenses. To the best of Seller's knowledge after due inquiry, none of the Real Property is subject to any contract, option or commitment for sale or lease to any party other than Buyer nor to any lien or

encumbrance of any kind that will materially impair Buyer's full use thereof. To the best of Seller's knowledge after due inquiry, all Real Property, as well as the present use thereof, conforms with all restrictive covenants and with all zoning, environmental, building and other laws and regulations of all governmental authorities having jurisdiction thereof, except as is disclosed in Exhibit D.

Without limiting the generality of the foregoing, Seller has not, and has no knowledge that others have, stored or disposed of any hazardous substance in a manner inconsistent with the requirements of any law or regulation of any kind applicable to the Real Property or the business of the Station. The buildings, tower, guys, and other fixtures used in the operation of the Station are free of structural defects, are suitable for their intended use, are in a good state of maintenance and repair, are contained entirely within the bounds of the Real Property and do not encroach upon any property, the title or use of which will not be conveyed to Buyer hereunder. All utilities necessary for Buyer's use of the Real Property are installed and in working order and are subject to valid easements. To the best of Seller's knowledge after due inquiry, no condemnation proceedings have been instituted or threatened against the Real Property. At Buyer's sole option and expense, Buyer may conduct such environmental studies of the Real Property as Buyer, in its sole discretion, may desire. Should such studies disclose environmental conditions in violation of applicable laws, then Buyer shall advise Seller of such conditions and, if such conditions shall not have been fully remediated by Seller at Seller's expense prior to the Closing, then Buyer may, at its sole option, terminate this Agreement.

E. **Commission Licenses:** Exhibit B hereto contains a complete list of all the licenses, permits, and other authorizations issued by the Commission, together with any applications therefor pending before the Commission, needed for Seller's present operation of the Station. Except as set forth in Exhibit B, the Licenses are in full force and effect and are free and clear of any restrictions which might limit the full operation of the Station as presently authorized or operated. There are no investigations, proceedings, or material complaints pending or, to the best of Seller's knowledge after due inquiry, threatened, at the Commission which might adversely affect the business or operations of the Station, other than proceedings of a rule making nature intended to affect substantial segments of the industry generally.

F. **Tangible Personalty:** Seller has good and marketable title to each item of Tangible Personalty and the Fixtures, free and clear of all mortgages, liens, charges or encumbrances. The assets listed in Exhibit A and the Fixtures listed in Exhibit D are all of the material tangible property used or useful by Seller to operate the Station as it is presently operated and in the manner authorized by the Licenses. The Tangible Personalty and the Fixtures are suitable for their intended purposes, are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and permit the Station to operate in its customary manner and in accordance with the Licenses and the Rules and Regulations of the Commission and all other governmental authorities having jurisdiction thereof.

G. **Employee Relations:** In the conduct of the Station's affairs, Seller

has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor including those relating to collective bargaining and other unfair labor practices, wages, hours, discrimination, and the withholding and payment of social security and similar taxes and is not liable for any arrears or penalties relating thereto which would have a material adverse effect on the operations of the Station or which could result in liability to the Buyer following the Closing. Seller shall be solely responsible for, and hold Buyer harmless from, any and all employment compensation, personnel benefits, accrued benefits and bonuses up to 12:01 a.m. on the Closing Date with respect to the operation of the Station. No labor union is certified, or otherwise recognized, as the collective bargaining representative for any of the Station's employees; Seller has no knowledge of any labor strike, union organizing efforts, equal employment opportunity or discrimination allegation or other employee or labor controversy or dispute pending which could affect Buyer's operation of the Station. Seller has not promised to any employee of the Station that Buyer will be hiring any such employee or otherwise made any offer of employment on behalf of Buyer and Buyer shall have no obligation to employ any employee of the Station. Seller shall be fully responsible for all severance and other obligations owing to any of Seller's employees who are not hired by Buyer at the Closing.

H. **Contracts:** Exhibit C includes all contracts, agreements and commitments (except for cash advertising contracts on customary terms) which are necessary to or used in Seller's operation of the Station. All Contracts are valid, binding, and enforceable by Seller in accordance with their terms. Neither Seller nor any other party to such Contracts is in material breach or default on any of the Contracts, there is no claim of breach or default by Seller or any other party thereto, and Seller has no knowledge of any act or omission which has occurred or which has been threatened which could result in any party to such contract being in breach or default thereof. Seller will procure the written consent of all contracting parties to the assignment of the Contracts designated as "material" on Exhibit C prior to the Closing if such consent is required by the terms of such Contracts.

I. **Compliance with Laws; Litigation:** Seller has operated the Station in compliance with all applicable federal, state and local laws. Without limiting the generality of the foregoing, Seller has timely filed all tax returns, FCC reports and other documents required to be filed by any governmental authority with respect to the Assets or the Station; Seller has maintained its local public inspection file in full compliance with FCC requirements; and Seller has not stored, disposed of nor used nor has any knowledge that any other party has disposed of or used, any hazardous substance in a manner that could result in liability for Buyer under any applicable law or regulation. There is no judgment outstanding and no litigation, proceeding or investigation of any nature (other than legislation intended to affect substantial segments of the industry as a whole) pending or, to the knowledge of Seller, threatened which might materially and adversely affect the continued operation or earnings of the Station or materially and adversely affect the enjoyment and use by Buyer of the Assets to be purchased hereunder.

J. **Payment of Taxes:** As of the Closing Date, Seller will have paid and discharged (or made adequate provision for) all taxes, assessments, excises and levies which, if not paid, would interfere with Buyer's full enjoyment of the Assets to be conveyed hereunder.

K. **Insurance:** All of the Tangible Personalty and Real Property which is of an insurable character is insured by reputable insurance companies against loss or damage by fire and other risks to the extent and in the manner customary for properties and assets of that nature. All such insurance policies are listed in Exhibit G hereto and are in current force.

L. **Financial Statements:** Seller has delivered to Buyer true and complete copies of its financial statements for the Station covering its fiscal years of 1999 and 2000, together with related notes and schedules (the "Financial Statements"). The Financial Statements (i) present fairly, accurately and correctly the financial position of Seller and the Station, as at the respective dates indicated and their results of operations for the respective periods covered thereby; and (ii) were prepared in conformity with generally accepted accounting principles applied on a consistent basis through the entire period covered by the Financial Statements. The Assets are not subject to any liability, commitment, indebtedness or obligation of any kind whatsoever, whether absolute, accrued, contingent, known or unknown, matured or unmatured, copies of which have been provided to Buyer. There have been no adverse developments since preparation of the most recent of the Financial Statements that would render the information presented and conclusions depicted therein materially inaccurate or misleading.

M. **Accuracy of Information:** No representation or warranty made by Seller in this Agreement or any information furnished or to be furnished to Buyer or any principal of Buyer in connection with the transactions contemplated herein contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make the information therein not misleading.

11. **COVENANTS OF SELLER**

A. **Negative:** Between the date hereof and the Closing Date or earlier termination of this Agreement, Seller will not do any of the following without the written consent of Buyer:

(i) Enter into any contract or commitment in relation to the Station's business or employees to which the Buyer will be bound or which will materially adversely affect Buyer's operation of the Station following Closing hereunder, other than (a) cash advertising contracts made in the ordinary course of business or (b) agreements cancelable without penalty prior to the Closing Date;

(ii) Increase the salary, benefits or other compensation payable to any Station employee except to the extent consistent with existing practice;

(iii) Create or assume any mortgage upon or pledge or subject to lien or encumbrance any of the Assets, whether now or hereafter acquired;

(iv) Sell, assign, lease, convey, or otherwise transfer or dispose of any of the Assets, whether now owned or hereafter acquired other than in the ordinary course of business, unless, in the case of the Tangible Personalty, the same are replaced in the normal course of business by assets of at least equal quality and usefulness;

(v) Directly or indirectly attempt to sell, offer to sell, advertise for sale, entertain offers for sale, or otherwise take any steps toward a possible sale of the Station or a significant portion of the Assets to any person other than Buyer or an assignee of Buyer, as permitted hereunder.

B. **Affirmative:** Pending the Closing Date, Seller will:

(i) Give to Buyer, its counsel, engineers, accountants and other authorized representatives, reasonable access during normal business hours to all of the properties, premises, books and records pertaining to the operations of the Station for the purposes of inspection, and to such other properties, premises, books and records of Seller as are necessary to complete such inspections and audits; provided, however, that all such access shall be scheduled in advance and conducted with due regard for the need of Station personnel to maintain broadcast operations without unreasonable interference;

(ii) Use its best efforts to maintain the present character of the Station and quality of its programs, to preserve the business organization and makeup of the Station, to preserve the Station's present customers and business relations, and otherwise to operate the Station in the normal and usual manner;

(iii) Perform all of the Contracts according to their terms and, if necessary, renew the same, provided, however, that at Buyer's request, Seller will give protective notices of cancellation with re-

spect to all contracts which Buyer is not to assume, but provided, further, that no such protective notices shall be given earlier than the date of FCC grant of the Application or the date upon which Buyer and Seller may enter into a time brokerage agreement with respect to the Station;

(iv) Maintain the Tangible Personalty to be sold or replacements thereof in their present condition, ordinary wear and tear excepted, and keep in effect all current insurance policies with respect thereto;

(v) Incur capital, promotional and other expenses in accordance with past practice;

(vi) Promptly notify Buyer of any unusual or material developments with respect to the business or operations of the Station;

(vii) Remove any and all violations of Commission Rules and Regulations which come to its attention or assume responsibility for the costs of removing same, including the payment of any fines that may be assessed for any such violation; and

(viii) Extend its full cooperation to file and prosecute such applications as Buyer may request to upgrade the facilities of the Station, provided, however, that the grant of any such applications shall not be a condition of this Agreement.

12. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF**

BUYER

Buyer makes the following representations, warranties and covenants, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct as of Closing (and which shall apply as of Closing to any assignee of Buyer permitted hereunder).

A. **Organization:** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of North Carolina and has full power and authority to enter into and perform this Agreement.

B. **Authorization:** The execution and delivery of this Agreement has

been duly authorized by the Members of Buyer, and constitutes a valid and binding Agreement of Buyer, enforceable in accordance with its terms.

C. **No Contravention:** The execution, delivery and performance of this Agreement by Buyer will not violate any provision of its Articles of Incorporation or By-Laws nor will result in a breach of, or constitute a default under, the provisions of any agreement or other instrument to which Buyer is a party or by which it or its property is bound or affected.

D. **Qualification:** Buyer knows of no reason under current law why it would not be found fully qualified by the FCC to become licensee of the Station and to consummate the transactions contemplated by this Agreement. Buyer knowingly shall take no action or engage in any conduct which would materially impair its ability to consummate this transaction.

13. **CONTROL OF STATION**

Nothing contained in this Agreement shall be construed as giving Buyer any right to directly or indirectly supervise or direct the operation of the Station prior to the Closing. Such operation, including complete control and supervision of all programming, shall be the sole responsibility of Seller. Buyer shall, however, be entitled to reasonable inspection of the property, books and records of the Station, as provided in Section 11.B(i) hereof. Effective on the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, the operation of the Station.

14. **RISK OF LOSS - DAMAGE TO FACILITIES**

A. The risk of loss or damage to any of the Assets shall be upon Seller prior to the Closing, and thereafter upon Buyer. In the event of such loss or damage prior to the Closing, the proceeds of, or any claim for any loss payable under, any insurance policy with respect thereto shall be used by Seller to repair, replace, or restore such lost or damaged assets. In the event such loss or damage or any other reason prevents the broadcast transmission by either Station in the normal and usual manner, Seller shall give prompt written notice thereof to Buyer.

B. If prior to the Closing Station does not operate in its normal and usual manner for a total of 2 days, Buyer may at its sole option (a) terminate this Agreement or (b) postpone the Closing for up to 90 days, at the conclusion of which period of postponement Buyer may terminate the Agreement if the loss or damage responsible for such deficient operation has not been fully repaired or restored and the business of the Station fully recovered.

15. **CONFIDENTIALITY OF MATERIAL**

Pending the Closing Date, each of Buyer and Seller and their respective employees,

representatives and agents will maintain the confidentiality of the information and materials delivered to them or made available for their inspection by the other party pursuant to this Agreement, except where such information or materials is legally available from non-confidential sources or where such information, schedules, and other documentation are required to be filed with the Commission in connection with the Application. If for any reason the transaction is not consummated and does not close, each of Buyer and Seller will cause their respective employees, representatives and agents to return to the other party all such materials in their possession and will continue to preserve the confidentiality of all such information.

16. **CLOSING DATE AND PLACE**

The Closing Date and time shall be fixed by Buyer by giving at least five (5) days' written notice thereof to Seller. Unless extended by mutual written consent of Buyer and Seller, the date of Closing shall no less than ten (10) days after FCC grant of the Application nor more than ten (10) days after FCC grant of the Application becomes a Final Order. The Closing shall take place at the Station or at such other location as the parties may mutually agree.

17. **CONDITIONS OF CLOSING - SELLER'S OBLIGATIONS**

The obligations of Buyer under this Agreement are, at Buyer's option, subject to compliance by Seller with each of the following terms and conditions at or prior to the Closing Date:

A. **Status of Station and Business:** The Station shall be operating in compliance with all parameters listed on the Licenses, Seller shall have provided evidence of payment in full of all of its accounts payable with respect to Station operations, and there shall have been no material adverse change in the Station's business, assets, financial condition, cash flow, operating results, customer relations and employee relations;

B. **Commission Consent:** The Commission shall have granted the Application and, at Buyer's sole option, such approval shall have become a Final Order;

C. **Consents:** Seller shall have obtained required written consent(s) to the assignment of its option to purchase the Real Property and all Contracts designated as material in Exhibit C and delivered such consents to Buyer along with true copies of all said Agreements;

D. **Instruments of Conveyance:** Seller shall have delivered to Buyer the following instruments, all of which shall be in form customary in the State of North Carolina and reasonably satisfactory to counsel for Buyer:

(i) Bills of sale and other instruments of assignment and

transfer, covering all the Tangible Personalty, Fixtures, Intangible Property and Records;

(ii) Assignments and other appropriate instruments assigning the Licenses and other authorizations of the Station and the Contracts to be assumed by Buyer;

(iii) An opinion of Seller's counsel as to the matters set forth in Paragraphs 10.A, 10.B, 10.C and 17.B hereof;

(iv) A report of lien searches in all jurisdictions in which the Assets are located demonstrating the absence or release of all liens, encumbrances or security interests of any nature whatever

(v) General warranty deeds conveying to Buyer fee simple title to the Real Property, together with such title insurance thereon as is reasonably acceptable to Buyer and in an amount consistent with the allocation of the Purchase Price to the Real Property; and

(vi) Such other documents as Buyer shall reasonably request and which are necessary to place Buyer in actual possession and operating control of Station and the Assets being transferred hereunder.

E. **Accuracy of Representations - Compliance** The representations, warranties and covenants of Seller contained in Paragraph 10 hereof shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, and Seller shall have complied with all the covenants contained in Paragraph 11. Seller shall provide Buyer with the certificate of its Manager so stating under oath.

F. **Other Acts:** Seller shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

18. **CONDITIONS OF CLOSING - BUYER'S OBLIGATIONS**

The obligations of Seller under this Agreement are, at Seller's option, subject to compliance by Buyer with each of the following terms and conditions at or prior to the Closing Date:

A. **Commission Consent:** The Commission shall have approved the assignment of the Licenses from Seller to Buyer.

B. **Payment of Purchase Price:** Buyer shall have paid to Seller the Purchase Price.

C. **Assumption of Agreements:** Buyer shall have delivered to Seller a document, in form and substance reasonably satisfactory to Seller, whereby Buyer assumes those liabilities and obligations of Seller under the agreements to be assumed pursuant to Paragraph 6 hereof.

D. **Accuracy of Representations:** The representations, warranties and covenants of Buyer contained in Paragraph 12 hereof shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, and Buyer shall deliver to Seller the certificate of its Manager so stating under oath.

E. **Other Acts:** Buyer shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

19. **REMEDIES UPON TERMINATION OR DEFAULT**

If this Agreement is terminated due to no fault of either Buyer or Seller, then neither party shall have any liability to the other. If the Agreement is terminated due to a material default of Seller then, in addition to any other remedies to which it may be entitled, Buyer may seek a decree of specific performance, it being agreed by both Buyer and Seller that the Assets to be conveyed hereunder are unique and irreplaceable, and that monetary damages alone may not suffice to compensate Buyer for the loss of an opportunity to acquire the Station on the terms set forth herein. If this Agreement is terminated due to Buyer's material default hereunder, then Buyer shall forfeit the Escrow Deposit to Seller as and for liquidated damages, and not as a penalty, it being agreed that actual damages would be difficult to calculate and that the sum of \$15,000 is a reasonable estimate of Seller's damages. In the event this Agreement is terminated prior to the Closing due to any reason other than a material default of the Buyer, then the Escrow Agent shall return the Escrow Deposit, including all interest thereon, to Buyer.

20. **INDEMNIFICATION**

Seller shall indemnify, defend, and hold Buyer harmless against all claims, demands and legal actions and will reimburse Buyer for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the operation of the Station prior to Closing or the material breach by Seller of any of its representations, warranties or covenants set forth herein. Buyer shall indemnify, defend and hold Seller harmless against all claims, demands and legal actions, and will reimburse Seller for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the operation of the Station after Closing or the material

breach by Buyer of any of its representations, warranties or covenants set forth herein. Should any claims covered by the foregoing provisions be asserted against either party, the party being charged shall notify the other promptly and give it an opportunity to defend the same; the parties shall extend reasonable cooperation to each other in connection with such defense.

21. **ATTORNEY'S FEES; PREJUDGMENT INTEREST.**

In the event of commencement of suit by either party to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive such attorney's fees and costs as a court may adjudge reasonable in addition to any other relief granted. Any award of damages following judicial remedy as a result of the breach of this Agreement or any of its provisions shall include, to the extent permitted by applicable law, an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

22. **PRESERVATION OF BOOKS AND RECORDS**

For three (3) years after the Closing, (a) Buyer will preserve the books and records of Seller delivered pursuant to Paragraph 1.F. hereof, and will allow Seller reasonable access to them and (b) Seller will preserve all other books and records relating to the Seller and the Station (including all tax records) and will allow Buyer reasonable access to them.

23. **SURVIVAL**

The representations, warranties, covenants, and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive the Closing hereunder and the payment of the purchase price for a period of three (3) years.

24. **BROKER/FINDER**

Buyer and Seller hereby mutually represent that there are no finders, consultants or brokers involved in this transaction other than Snowden Associates and that neither Seller nor Buyer has agreed to pay any brokers', finders' or consultants' fees in connection with this transaction other than a fee payable to Snowden Associates, which shall be the sole responsibility of the Seller.

25. **NOTICES**

All necessary notices, demands and requests shall be deemed duly given if mailed by registered or certified mail, postage prepaid, addressed as follows:

Seller: Jacksonville Topsail Radio, LLC

907 Lejue Boulevard
Jacksonville, North Carolina 28541
Attn: Hoyle Broome, Manager

Copy to: George Collins, Esquire
Collins & Moore
634 Court Street
Jacksonville, North Carolina 28540

Buyer: Heritage Broadcasting, LLC
702 Hartness Road
Statesville, North Carolina 28677
Attn: Ronald Benfield, Manager

Copy to: Peter Gutmann, Esquire
Pepper & Corazzini, L.L.P.
1776 K Street, N.W.
Suite 200
Washington, D.C. 20006

26. **CONSTRUCTION**

This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and to this end only the provisions of this Agreement are declared severable.

27. **ASSIGNMENT AND BENEFIT**

This Agreement is not assignable by either Buyer or Seller without written consent of the other, except by Buyer to an entity under common control with Buyer or the principals of Buyer. This Agreement and all of the obligations set forth herein shall be binding upon the parties and their respective heirs, assigns and successors.

28. **COOPERATION**

Each party hereto agrees to perform such further acts and to execute and deliver such further documents as may be necessary or desirable to effectuate the purposes of this Agreement.

29. **TIME OF ESSENCE**

Time is of the essence with respect to every provision of this Agreement.

30. **WAIVER**

No waiver of any right pursuant hereto or waiver of a breach hereof shall be effective unless in writing and signed by the parties waiving such right or breach. No waiver of any right or waiver of any breach shall constitute a waiver of any other or similar right or breach; and no failure to enforce any right hereunder shall preclude or affect the later enforcement of such right.

31. **ENTIRE AGREEMENT**

This Agreement embodies the entire agreement among the parties and supersedes all prior agreements and understandings among the parties. No attempted change, termination or waiver of any of the provisions hereof shall be binding except by a written instrument signed by the party against which the same is sought to be enforced.

32. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.


EXECUTED on the day first above written.

ATTEST:

JACKSONVILLE TOPSAIL RADIO, LLC

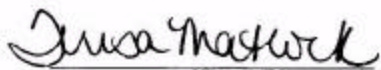


By



Hoyle Broome, Manager

ATTEST:

HERITAGE BROADCASTING, LLC



By


Ronald Benfield, Manager

Schedule B

FCC LICENSES

Expiration Dates

AM Broadcast Station License
(See attached revised Authorization and license)
File# BZ-970207AA

December 1,2003

AMENDMENT TO ASSET PURCHASE AGREEMENT

This Amendment ("Amendment") is made this 17 day of April, 2001 to the Asset Purchase Agreement ("Agreement") also made on this date, by and between Jacksonville Turnpike Radio, LLC, a _____ limited liability company ("Seller") and United Broadcast Inc. a North Carolina corporation ("Buyer").
HKS
4/17/2001

WITNESSETH:

WHEREAS, in the process of negotiating the Agreement, Buyer has become aware of certain outstanding liabilities of Seller and the possible existence of undisclosed others which, if not paid, could have a material adverse impact upon Buyer's operation of the Station and its business following the Closing; and

WHEREAS, the Agreement contemplates a cash payment in full of the Purchase Price upon Closing, leaving the Buyer without a practical remedy in the event unsatisfied Seller payables become known thereafter; and

WHEREAS, in order to accommodate this concern, the parties agree to modify the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained in the Agreement and herein, the parties do hereby further agree as follows:

1. A new paragraph 11.B(ix) is added as follows:

(ix) Timely (but in any event prior to the Closing) pay all obligations of Seller or the Station which, if not so paid, could have an adverse impact upon Buyer's operation of the Station or the conduct of its business.

2. Section 3.A of the Agreement is amended to add the following:

At the Closing, the Escrow Deposit shall remain on deposit with Escrow Agent for a period of three (3) months. During such period, upon notice to Escrow Agent and Seller by Buyer of an unpaid matter (other than owed to the Buyer itself) for which Buyer would be entitled to indemnification pursuant to section 20 of the Agreement, unless Escrow Agent is presented with reasonable proof of payment and satisfaction thereof by Seller within ten (10) days after such notice, then Escrow Agent shall pay the amount specified in such notice to the party entitled thereto out of the Escrow Deposit. Upon the conclusion of such three-month period, Escrow Agent shall pay all funds remaining in escrow to Seller.

Amendment to WJNC Purchase Agreement
April 12, 2001

- 2 -

3. In the first line of Section 8 of the Agreement, the phrase "ten (10) days" is amended to read, "two (2) days."

4. In all other respects, the Agreement remains in full force and effect. All capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Agreement.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

EXECUTED on the day first above written.

ATTEST:

JACKSONVILLE TOPSAIL RABBIT, LLC

[Signature]

By

[Signature]
Hoy's Brooks, Manager

ATTEST:

CONCRETEWORK, INC.

[Signature]

By

[Signature]
Ronald Berfield, President

hsp00000000.doc

Amendment to WNC Purchase Agreement
April 12, 2001