

change in the financial condition of Seller or the Stations which is materially adverse to such condition.

(y) No representation or warranty herein or in the forms of any agreements attached as exhibits hereto by Seller contain any untrue statement of a material fact or omit any material fact that is necessary to make any statement contained herein true and not misleading.

(z) Seller shall use its best efforts to perform and satisfy all conditions and obligations to be satisfied and performed by Seller under this Agreement, to the end that the transactions contemplated by this Agreement shall be duly carried out on a timely basis.

Article 5. Buyer's Warranties, Covenants And Representations

Buyer hereby makes the following warranties, covenants and representations, each of which shall be deemed a separate covenant to Seller and shall survive the Closing and payment of the purchase price:

(a) Buyer is a corporation in good standing and duly organized under the laws of the State of North Carolina.

(b) Buyer has full power and authority to enter into this Agreement, including all supporting documentation, and the execution, delivery and consummation of this Agreement have been duly authorized by all necessary corporate action on its part. This Agreement constitutes, and the other agreements to be executed in connection herewith when executed, will constitute legal, valid and binding obligations of Buyer in accordance with their terms.

(c) Buyer will furnish Seller, at the Closing, copies of the following:

(i) A certified copy of a resolution duly adopted by at least two-thirds of the Buyer's outstanding voting shares of stock authorizing the purchase of assets from Seller in the manner provided for herein.

(ii) A certified copy of a resolution duly adopted by the Board of Directors of Buyer authorizing and directing its officers to execute this Agreement and all additional documents required to effectuate this Agreement and to comply with all of the provisions contained herein.

(d) Buyer will assume, at Closing, and will thereafter perform all obligations of Seller under

the notes, contracts and agreements assigned and transferred to Buyer hereunder, and Buyer will indemnify and save Seller harmless from and against any loss or liability arising under any such notes or agreements from acts or omissions of Buyer which occur subsequent to Closing.

(e) Buyer agrees that it will execute and deliver, at Closing, the Non-Compete Agreement contained in Exhibit F.

(f) Buyer agrees it will execute and deliver the Promissory Note contained in Exhibit E.

(g) Buyer shall use its best efforts to perform and satisfy all conditions and obligations to be satisfied and performed by Buyer under this Agreement, to the end that the transactions contemplated by this Agreement shall be fully carried out on a timely basis.

(h) Buyer is legally, financially and otherwise qualified to consummate this Agreement and knows of no reason why it should not be approved by the FCC to consummate this Agreement and be the licensee of the Stations.

Article 6. Documents To Be Delivered By Seller At Closing

At Closing, Seller shall deliver or shall have caused to be delivered to Buyer the following:

(a) A duly executed bill of sale and all other instruments of assignment, conveyance and transfer, with full warranties of title necessary under law to convey good title and ownership to Buyer of all of the personal property of Seller listed on Exhibit A.

(b) A duly executed warranty deed and all other instruments of assignment, conveyance and transfer, necessary under law to convey good title and ownership to the real property of Seller described in Exhibit B, together with a title insurance policy as provided for herein.

(c) A Non-Compete Agreement as provided for in Article 3, duly executed by Covenantor.

(d) The originals, or copies thereof if the originals cannot be located or are otherwise unavailable, of all the Assumed Contracts and other agreements which are being assigned hereunder, together with an executed Assignment of Contract as may be necessary to convey said contracts to Buyer.

(e) All of the Stations' public files required to be maintained by the Commission.

(f) All business and government records relating to the operation of the Stations by Seller, and Seller's authorization for its attorneys, certified public accountants and employees to disclose facts or documents reasonably requested by Buyer relating to Seller's operation of the Stations.

(g) Certified copies of resolutions of Seller's stockholders and Board of Directors referred to in Article 4.

(h) Certificate of the Secretary of State of South Carolina that Seller is a South Carolina corporation in good standing.

(i) The consents of all third parties required for the assignment of any license, contract, agreement or other instrument to be assigned hereunder.

(j) The opinion, dated the Closing Date, and in form and substance reasonably satisfactory to Buyer and its counsel, of Robert G. Price of Kennedy, Price & Dial, counsel to Seller, to the effect that:

(i) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina with all requisite corporate power and authority to own and operate its properties and to carry on its business as being conducted.

(ii) Seller has the corporate power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby, and this Agreement and all instruments of transfer and other agreements and documents executed and delivered by Seller have been duly authorized by all necessary corporate action of Seller, have been duly executed and delivered by Seller, and are the legal, valid and binding obligations of Seller, enforceable in accordance with their terms, subject to bankruptcy, insolvency, moratorium and similar laws of general application affecting the rights and remedies of creditors, and subject to a disclaimer as to any opinion respecting the availability of equitable remedies.

(k) Any and all other papers, documents, assurances or instruments in writing as may be reasonably necessary in order to effectuate the provisions of this Agreement or any exhibit attached hereto.

(l) Seller will deliver to Buyer title insurance certifying good and marketable title to the real property being conveyed to Buyer hereunder, and said

title insurance shall name Buyer as the beneficiary thereto.

Article 7. Documents To Be Delivered By Buyer At Closing

At Closing, Buyer shall deliver or shall cause to be delivered to Seller the following:

(a) Buyer and Seller shall direct the Escrow Agent to pay the Earnest Money Deposit to Seller and to deliver to Seller, at Closing, cash or certified check or wire transfer in the amount of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) pursuant to Article 2, Section (1)(a) of this Agreement.

(b) Cash or certified check or wire transfer payable to Seller in the amount of ONE MILLION NINE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,950,000.00) pursuant to Article 2, Section (1)(b) of this Agreement.

(c) Buyer's duly executed Promissory Note in the amount of TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$200,000.00) as provided for in Article 2(1)(c).

(d) Buyer's duly executed Non-Compete Agreement referred to in Article 3.

(e) A Certificate of the Secretary of State of North Carolina that Buyer is a corporation in good standing in such state.

(f) A Certificate of the Secretary or an Assistant Secretary of Buyer certifying as to the due adoption by Buyer's Board of Directors and Shareholders of resolutions authorizing Buyer's execution and delivery of this Agreement and the purchase of the Subject Assets pursuant to the terms set forth herein, certifying that such resolutions remain in full force and effect and have not been modified and certifying as to the incumbency and genuine signatures of Buyer's officers, such Certificate to be dated as of the Closing Date and to be in form and substance reasonably satisfactory to Seller.

(g) The written opinion, dated the Closing Date, and in form and substance reasonably satisfactory to Seller and its counsel, of Tharrington, Smith and Hargrove, counsel to Buyer, to the effect that:

(i) Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina and is authorized to conduct business in the State of South Carolina.

(ii) Buyer has the corporate power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby, and this Agreement and all other

agreements and documents executed and delivered by Buyer have been duly authorized by all necessary corporate action of Buyer, have been duly executed and delivered by Buyer, and are the legal, valid and binding obligations of Buyer, enforceable in accordance with their terms, subject to bankruptcy, insolvency, moratorium and similar laws of general application affecting the rights and remedies of creditors, and subject to a disclaimer as to any opinion respecting the availability of equitable remedies.

(iii) The execution and delivery by the Buyer of this Agreement and the other agreements, instruments and documents executed and delivered by Buyer in connection herewith do not, and the performance by the Buyer thereof will not, conflict with or result in any breach of the terms, conditions or provisions of, or constitute a default under, the corporate charter or by-laws of Buyer, each as amended to date, or any other agreement or instrument to which Buyer or any of its property is subject and as to which such counsel has knowledge.

Provided, however, that such counsel may rely upon the written opinion of local counsel to Buyer in giving one or more of the foregoing opinions, or one or more of the foregoing opinions may be given separately by such local counsel.

(h) Any and all other papers, documents, assurances or instruments in writing as may be reasonably necessary in order to effectuate the provisions of this Agreement or any exhibit attached hereto.

Article 8. Commission Approval Of Assignment

(a) This sale and purchase is conditioned upon and subject to the prior consent of the Commission to the assignment from Seller to Buyer of the Stations' Licenses and Permit(s) as provided for herein, and shall become effective only if, as and when such consent is obtained by appropriate certificate or other notice to that effect issued by the Commission. Seller and Buyer shall, within FOURTEEN (14) days from the date hereof, submit an application(s) to the Commission requesting consent to this assignment and each party shall expeditiously furnish the Commission with all information, amendments and documents

required or appropriate when requested by the Commission. Each party shall bear its own expense in connection with the preparation of the applicable sections of the application(s) and prosecution of the application(s) except any filing and grant fees of the Commission in connection with the application(s) shall be paid half by the Seller and half by the Buyer.

(b) In the event the application(s) for assignment of the Licenses is designated for hearing by the Commission, either party shall have the right to terminate this Agreement upon the giving of written notice to the other. If by March 15, 1989, the FCC shall not have issued a Final Order (as that term is defined herein) approving the application(s) for assignment of the Licenses and Permit(s), then in that event, this Agreement may be terminated by Buyer (if it is not otherwise in material default of this Agreement) or by Seller (if it is not otherwise in material default of this Agreement) upon the giving of written notice to the other, and the Earnest Money Deposit made by Buyer hereunder shall be returned to Buyer with all accrued interest, and thereupon this Agreement shall become null and void without further obligation of either party to the other.

Article 9. Conditions To Buyer's Performance

The obligation of Buyer to consummate this Agreement is subject to the satisfaction on or prior to Closing of each of the following conditions:

(a) At Closing, Seller shall deliver or cause to be delivered to Buyer all documents required herein to be delivered.

(b) All of the terms, covenants and conditions to be complied with or performed by Seller hereunder on or before Closing, shall have been duly complied with and performed or adequate provision made therefor.

(c) The warranties and representations of Seller set forth herein in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made at that time, unless otherwise provided herein.

(d) At Closing, Seller will be the holder of FCC issued Licenses for the Stations to the extent that such Licenses can be owned or held by the Seller under the Communications Act of 1934, and said Licenses will be in force and effect, unimpaired by any acts or omissions of Seller, and there will be no outstanding forfeitures, notices of rule violations, investigations, inquiries or notices of revocation of

licenses pending against the Stations at the Commission and the licenses shall be renewed on an unconditional basis for a full seven year license term beginning December 1, 1988.

(e) The consent of the Commission to this Agreement and the transfers and assignments called for hereunder shall have been obtained pursuant to Article 8 hereof.

#### Article 10. Conditions To Seller's Performance

The obligation of Seller to consummate this Agreement is subject to the satisfaction on or prior to Closing of each of the following conditions:

(a) At Closing, Buyer shall deliver or cause to be delivered to Seller all sums called for herein to be paid to Seller at the time of Closing and all documents required to be executed and delivered to Seller hereunder.

(b) All the terms, covenants and conditions to be complied with or performed by Buyer hereunder on or before Closing, shall have been duly complied with and performed.

(c) The warranties and representations of Buyer set forth in Article 5 shall be true and correct in

all material respects as of the Closing Date with the same force and effect as if made at that time.

(d) The initial consent of the Commission to the transfers and assignments called for hereunder shall have been obtained pursuant to Article 8.

(e) Buyer shall have delivered to Seller a Certificate dated the Closing Date and signed by its President and Secretary to the effect that the representations and warranties contained in this Agreement are true and correct in all material respects on the Closing Date with the same force and effect as if made on the Closing Date, and that between the date hereof and the Closing Date, Buyer has complied in all material respects with the covenants provided in this Agreement.

#### Article 11. Indemnity By Seller

Upon acquisition by Buyer of the Subject Assets, Seller hereby agrees to indemnify and hold Buyer harmless from and against any and all liabilities, losses, expenses, claims or demands arising, resulting, sustained or incurred or which may arise, result from or be sustained or incurred by Buyer in connection with any violation or

breach of Seller's warranties, covenants and representations set forth in this Agreement. Such indemnification shall include, but is not limited to, any and all reasonable attorneys' fees, suit costs and other expenses that Buyer may incur in defending or prosecuting any suit, action or other proceeding brought in connection therewith, or in attempting to obtain a release from liability in respect thereof, without limitation as to amount, except such limitations as may be prescribed by a court of competent jurisdiction as reasonable and fair. In the event that any claim is asserted against Buyer or against the Stations, which, if established, would constitute a material breach of any of Seller's covenants, warranties and representations contained herein, Buyer shall promptly give Seller written notice of such claim and Seller shall, within TEN (10) days after receipt of said written notice, notify Buyer, in writing, of Seller's decision whether to defend against such claim. Either party may, at its own expense, assist the other party in defending against any such claim and provide legal counsel to the other. In the event Seller elects not to defend or does not notify Buyer within the time provided above that Seller intends to defend, then Buyer may so defend.

## Article 12. Indemnity By Buyer

Upon acquisition by Buyer of the Subject Assets, Buyer hereby agrees to indemnify and hold Seller harmless from and against any and all liabilities, loss, expense, claim or demand arising, resulting, sustained or incurred or which may arise, result from or be sustained or incurred by Seller in connection with any violation or breach of the Buyer's warranties, covenants and representations set forth herein, including Buyer's agreement to assume liabilities under the Assumed Contracts. Such indemnification shall include, but is not limited to, any and all attorneys' fees, suit costs and other expenses that Seller may incur in defending or prosecuting any suit, action or other proceeding brought in connection therewith, or in attempting to obtain a release from liability in respect thereof, without limitation as to amount. In the event that any claim is asserted against Seller, which, if established, would constitute a material breach of any of Buyer's covenants, warranties and representations, Seller shall promptly give Buyer written notice of such claim and Buyer shall, within TEN (10) days of receipt of said written notice, notify Seller, in writing, of Buyer's decision whether to defend against such claim. Either party may assist the other party in defending against any such claim and provide legal counsel

to the other at its own expense. In the event Buyer elects not to defend or does not notify Seller within the time provided above that Buyer intends to defend, then Seller may so defend.

Article 13. Risk Of Loss

If the property and equipment to be assigned hereunder should be damaged by fire or other casualty prior to the Closing Date to such an extent the normal broadcast operations of either of the Stations are discontinued for a period of TEN (10) days, Buyer shall have the immediate right to terminate this Agreement and Buyer's Earnest Money Deposit and interest earned thereon shall be promptly returned to Buyer and, thereafter, neither Seller nor Buyer shall have any further duties or obligations to the other hereunder. If the property or equipment to be assigned hereunder should be damaged by fire or other casualty prior to Closing, unless Buyer elects to terminate this Agreement, Seller, at its own expense, shall repair or replace such property or equipment so as to restore it to a condition substantially equivalent to that prior to the damage, in which event the Closing shall be extended until such repairs and replacements are completed, but in no event to exceed NINETY (90) days. If such repairs or replacements are not completed within NINETY

(90) days after the date of the occurrence of such damage or destruction, Buyer shall have the option to terminate this Agreement from and after the end of the NINETIETH (90th) day. If such repairs are not completed within NINETY (90) days and Buyer elects to proceed with the Closing prior to completion of repairs, Seller agrees to assign the proceeds of any insurance for such loss to the extent that the insurance proceeds exceed the amounts expended by Seller. Thereafter, the expense for completion of such repairs shall be the responsibility of Buyer. If this Agreement is terminated upon any of the above provisions, Buyer's Earnest Money Deposit and accrued interest thereon shall be promptly returned to Buyer, and thereafter, neither Seller nor Buyer shall have any further duties or obligations to the other hereunder. In the event the property or equipment should be damaged or destroyed and cannot be repaired or replaced within the effective period of the Commission's consent to the assignment, the parties shall join in an application or applications requesting the Commission to extend the effective period of its consent until such time as normal or usual broadcast transmission is restored.

Article 14. Access And Information

Following execution of this Agreement and prior to Closing, Seller will give to Buyer, Buyer's engineers, accountants, employees, agents and attorneys reasonable access during normal business hours throughout the period prior to Closing to all the Stations' properties, equipment, books, contracts, commitments and records, and will furnish to Buyer information concerning the Stations' operations as Buyer may reasonably request, and any duplication expense in connection therewith shall be paid by Buyer.

Article 15. Prorations And Adjustments To Purchase Price

(a) At Closing, all real and personal property taxes and assessments, rents, insurance premiums for policies assumed by Buyer, employment taxes, BMI, ASCAP, SESAC and other music license fees, employee bonuses and compensation, commissions, vacation pay, sick pay and all other operating expenses of the Stations (other than expenses arising from the preparation and prosecution of the assignment application(s) contemplated by this Agreement), and any other prepaid items, shall be prorated between Buyer and Seller as of the date of Closing.

(b) Seller shall be entitled to all income and shall be responsible for all expenses arising out of contracts, agreements and commitments other than the

Assumed Contracts. Seller shall pay all documentary stamp taxes required to convey the real estate transferred hereunder. Revenues, expenses, costs and liabilities earned or incurred in the operation of the Stations shall be allocated to the time of performance without regard to the date payment is received or made therefor. All such prorations shall, to the extent feasible, be determined and paid on the Closing Date, with a final settlement thereof to be made within FORTY-FIVE (45) days after the Closing Date.

Article 16. Duties Of The Escrow Agent

It is understood and agreed that Gary Whittle, d/b/a The Whittle Agency of Raleigh, North Carolina, is acting as Escrow Agent at the request of Seller and Buyer and is only required to deliver said escrow monies to the party justly entitled thereto under the terms of this Agreement and the Escrow Agreement, or upon the order of a court of competent jurisdiction.

Article 17. Closing

The Closing shall be held on a date (the "Closing Date") which is not more than TEN (10) days after the date on which the Commission's action has become a Final Order unless an arrangement is entered into by the parties to

close the sale in escrow pending expiration of time until the order becomes a Final Order, and in that event, the Closing shall be held within TEN (10) days of the date on which the FCC gives public notice of its consent to the assignment. The parties agree that they will not unreasonably withhold their consent in entering into a mutually beneficial arrangement for a closing in escrow. For purposes of this Agreement, a Final Order is understood to be an order of the Commission which is no longer subject to rehearing, reconsideration or review by the Commission, or to appeal or review by any court under the Communications Act of 1934, as amended, or the rules and regulations of the Commission. The Closing shall be held in the offices of the law firm of Tharrington, Smith & Hargrove in Raleigh, North Carolina, unless otherwise mutually agreed upon by the parties.

#### Article 18. Remedies On Default

The assets and property to be transferred and assigned under this Agreement are unique and not readily bought and sold on the open market and, for that reason, among others, Buyer, Seller and Covenantor would be irreparably injured by any breach or failure to consummate this Agreement, and the damages therefor would be highly difficult, if not wholly impossible, to ascertain. It is, therefore, agreed that if Buyer, Seller or Covenantor

shall materially default in the performance of any of their obligations under this Agreement, or should any dispute arise or any action be instituted by one against the other to enforce the provisions hereof, this Agreement shall be enforceable by any of them in a court of equity by a decree of specific performance, and an injunction upon posting of suitable bond may be issued restraining any transfer or assignment of the assets described herein contrary to the provisions of this Agreement pending the determination of such controversy. Buyer, Seller and Covenantor, for themselves and their successors and assigns, hereby waive the claim or defense that an adequate remedy at law exists, and such remedy, if any, shall be cumulative and not exclusive, and shall be in addition to any other remedy which the Buyer, Seller and Covenantor would have. In the event Buyer shall willfully refuse to execute the documents required herein to close and consummate the matters provided for under this Agreement or shall materially default in the performance of any of its obligations under this Agreement, then Seller may pursue the remedies hereinabove set forth or Seller may, in the alternative, have the Earnest Money Deposit held by the Escrow Agent hereunder, upon notification and proof satisfactory to the Escrow Agent of such defaults or refusal, paid over to Seller as liquidated damages in full

settlement of all claims against Buyer due to such material default in which event Buyer will have no further liability of any kind to Seller.

Article 19. Control Of Stations

Until Closing, Buyer and its agents shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operations of the Stations, but such operations shall be the sole responsibility of Seller. Seller shall be free to initiate, defend or participate in any Commission proceeding or legal proceeding which in Seller's discretion appears necessary or desirable.

Article 20. Accounts Receivable

At the Closing, Seller shall furnish to Buyer a list of all of its then outstanding accounts receivable, identifying each account by name, address, amount due, date due and description of services covered by each account. All these accounts shall be assigned at Closing to Buyer for collection on Seller's behalf and for Seller's benefit during the first NINETY (90) days following the Closing. Buyer will attempt to collect such accounts receivable during this period in the ordinary and usual course of business and, after deduction of a FIFTEEN PERCENT (15%) fee for collection and handling and payment

of sales commissions, shall no later than the ONE HUNDRED AND TWENTIETH (120th) day following the Closing remit to Seller all amounts collected from such accounts receivable. At the expiration of NINETY (90) days following the Closing, all of the assigned accounts receivable that Buyer has been unable to collect will be reassigned to Seller, which may then pursue further efforts it deems necessary in connection with the collection of such accounts. It is agreed that unless the advertiser specifies otherwise, the first proceeds received after the Closing on an account in existence at the Closing shall be applied first to amounts due Seller on the account and thereafter to Buyer.

#### Article 21. Allocation Of Value Of Assets

Buyer and Seller agree that the value of the assets being assigned in relationship to the total purchase price herein shall be the amount determined by one of the two appraisal firms, as may be selected by the Buyer: Frazier, Gross and Kadlec or Harrison, Bond and Pecaro. The appraisal fee shall be paid by the Buyer.

#### Article 22. Notice

All necessary notices, demands and requests shall be deemed to have been duly given when deposited in the United States mail, certified, return receipt requested and with postage prepaid, addressed as follows:

If To Seller: Jack P. McCarthy  
Carl V. Venters, Jr.  
Voyager Communications III, Inc.  
3201 Glenwood Avenue, Suite 301  
Raleigh, North Carolina 27612

with cc:

Wade H. Hargrove, Esquire  
Tharrington, Smith & Hargrove  
Post Office Box 1151  
Raleigh, North Carolina 27602

If To Buyer: Robert W. Harrison  
American Communications of Greenville,  
South Carolina, Inc.  
10 Century Drive, Suite C  
Box 10439  
Greenville, South Carolina 29603

with cc:

Robert G. Price, Esq.  
Kennedy, Price & Dial  
Post Office Drawer 12157  
Columbia, South Carolina 29211-2157

If To Escrow  
Agent:

Gary Whittle  
d/b/a The Whittle Agency  
8304 Druids Lane  
Raleigh, North Carolina 27612

### Article 23. Brokerage Fees

Seller represents and warrants that there is no broker involved in this transaction except Gary Whittle, d/b/a The Whittle Agency. In the event any other broker asserts a claim for brokerage commissions or finder's fees in connection with this transaction, the party who engaged or retained such other broker shall indemnify and hold harmless the other party if such claim for brokerage