

ASSET PURCHASE AGREEMENT

REV #5

THIS AGREEMENT ("Agreement") is made and entered into this the 31st day of January, 2002, by and between Mrs. Janice T. Jobe, 54 CR 425, Corinth, Mississippi, ("Seller"), and Power Valley Communications, Inc., 17 CR 404, Iuka, Mississippi, ("Buyer");

WITNESSETH THAT:

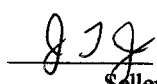
WHEREAS, the Radio Stations WADI-FM and WCMA-AM in Corinth, Mississippi, (the "Stations") are owned and operated by the Seller as a business (the "Business"); and,

WHEREAS, Buyer desires to purchase from the Seller certain Operating Assets of the Business, and to secure an assignment of the licenses and other authorizations issued by the Federal Communications Commission (the "Commission" or "FCC") for the operation of the Stations ("FCC Licenses") upon the terms, conditions and agreements herein contained; and

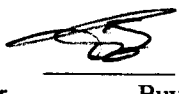
WHEREAS, the FCC Licenses may not be assigned to Buyer without the prior written consent of the Commission; and,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- I. Assets. At the Closing, Seller shall sell to Buyer and Buyer shall purchase from Seller the following assets and properties of Seller as of the Closing date; such assets to be collectively referred to herein as the "Assets".
 - A. The FCC Licenses listed in Schedule A hereof, which are all of the licenses and authorizations issued by the FCC to Seller (and all such applications therefor) in connection with the operation of the Stations;
 - B. All Licenses, permits, and other authorizations issued to Seller by the Federal Communications Commission (FCC), or any other governmental authority and used in the operations of the Business, including, but not limited to, all rights to the call letters, slogans, trade names, service marks and copyrights of the business.
 - C. Any and all documents, files, letters, including the local public file of the Business.



Seller



Buyer

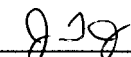
- D. Any and all Fixtures Appliances, vehicles, and Equipment of the Business, including, but not limited to, the tangible assets listed on Schedule B attached hereto and incorporated herein by reference ("Tangible Assets").
- E. Seller shall assign and transfer to Buyer all of Seller's right, title and interest in and to certain intangibles, including any rights, title and interest in Seller's trade name, and the telephone numbers of the Business, and such business records, including supplier and customer lists, license lists, and copies of correspondence and records of sales (the "Goodwill"), including the intangible assets of the call letters of the stations. For tax purposes, Seller shall have the right to examine or copy such business records transferred to kept by Buyer for three (3) years after the Closing.
- F. It is understood and agreed that the assets being sold to Buyer do not include cash, deposits, notes receivable and accounts receivable, investment securities, life insurance, liability insurance, or prepaid expenses (except those that are non refundable and useable by Buyer)(the "Excluded Assets")

II. Purchase Price. The purchase price of the Assets shall be Three hundred twenty-five thousand dollars (\$325,000.00).


A_ PAYMENT OF PURCHASE PRICE.

\$150,000.00 purchase money financing by Seller at the annual percentage rate of 5.5% amortized over a ten year period and paid in 120 monthly installments of \$1627.89, to be evidenced by promissory note to be executed at closing, and to be secured by Financing Statement covering the Assets purchased. Collateral for the Note will be evidenced by a UCC Financing Statement on the assets and filed with the State.

- ii. Contemporaneously with the execution of this agreement, the Buyer has deposited the sum of \$16,250.00 as earnest money with Media Services Group, Inc., (The "Deposit") which will be: a) applied to the purchase price; b) returned to the Buyer in the event the transaction is not approved by governmental and regulatory authorities and consummated within six months of the date of this agreement; or c) distributed under Paragraph XV(A) hereof in the event of default by buyer.
- iii. The remaining balance (\$175,000.00 _+ adjustments) of the Purchase Price shall be paid in full to Seller, or to Seller's creditors as needed to obtain releases of liens on any of the Assets, in immediately available funds at the Closing.



Seller



Buyer

- iv. . The purchase price shall be adjusted by proration of property taxes and will be affected by other prorations and adjustments at closing.

B. ALLOCATION OF PURCHASE PRICE

The Purchase Price shall be allocated among the Assets by agreement of Buyer and Seller, and at closing shall be memorialized by Schedule F which shall then be attached hereto and incorporated herein by reference, and Seller and Buyer agree to be bound by such allocation of the Purchase Price and to file their respective tax returns accordingly.

C.. ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE

Accounts Receivable shall be property of the Seller as of the date of Closing. Accounts payable accruing before the Closing shall be responsibility of the Seller and those after, the responsibility of the Purchaser.

III. Closing. The Closing of this transaction will be held at a location in Alcorn County to be mutually agreed upon by the Parties. Closing shall be on the first business day of the month following fulfillment of the Conditions Precedent to Buyers Obligations in Paragraphs A, B, and C of Section IV hereof, provided the other requirements of Section IV and this Agreement have been met.

IV. Conditions Precedent to Buyers Obligations hereunder. The Closing of this transaction is contingent upon, and the Buyer will have no obligation to consummate this transaction unless the following have occurred:

- A. The Commission **shall** have granted the Assignment Application and such grant shall have become a Final Order.
- B. A Final Order of the Commission approving the relocation of the FM Transmission Antennae to the Biddle and Sons Tower on Farmington Road East of Corinth, Mississippi.
- C. A grant of the Commission authorizing the relocation of the Studios and Links for the FM and AM stations to 17 CR 404, Iuka, Mississippi ("Buyers Studio").
- D. The representations, warranties and covenants of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though made at and as of the Closing Date.



Teller



Buyer

Seller shall have complied in all material respects with all agreements, obligations, covenants and conditions required by this Agreement to be met, performed or complied with by it prior to or at the Closing, including delivery of all documents set forth.

- F. On the Closing Date, Seller shall be the holder of the FCC Licenses issued and outstanding for the operation of the Stations, and the FCC Licenses shall be in full force and effect and valid for the balance of the current license term.
- G. Seller shall have obtained all consents necessary to validly assign the material Contracts to Buyer at the Closing.
- H. The parties have agreed to allocation of Purchase Price to Assets pursuant to Paragraph II(B) hereof.

Application to Relocate Facilities. It is a condition precedent to Closing that: 1) Buyer be able to locate the main studios for WADI and WCMA at Buyer Studios as defined in Paragraph N (B) and that (2) the transmission site for WADI be relocated to the Biddle and Sons Tower on Farmington Road (the "Modified WADI site"). It is agreed that there will be no relocation of equipment, studios or transmitter site before the Closing without Seller's written permission. Buyer and Seller will cooperate with each other to satisfy this condition by taking the following actions:

- A. Buyer will retain such experts as are necessary to evaluate there location of the WADI transmission site and the Studio Transmitter Links (STLs) that transmit programming from the Stations' main studios to the respective transmission sites for WADI and WCMA. Within ten days of receipt of engineering reports confirming that these conditions are technically feasible, Buyer will prepare and Seller will file such FCC applications as are necessary to relocate the WADI transmission facilities to the Modified WADI site and to modify the Stations' STL licenses to authorize STLs between Buyer's Studios and the WCMA transmission site and between Buyer's Studios and the Modified WCMA site at no cost to the Seller who will cooperate in said filings.
- B. Within 90 days of the grant of a construction permit, Buyer will relocate the WADI transmission site to the Modified WADI site. During this 90 day period, Seller will cooperate with Buyer to acquire permission or a month to month lease from the present tower owner to remain on the tower, but ultimately that will be the responsibility of the Buyer.



Seller

~'Buyer

- C. Buyer will assume the financial responsibilities of moving the FM transmitter and antennae to Biddle and Sons Tower upon final order of approval of all of the transfers/assignments from the FCC and at no cost to Seller.

VI. Provisions Concerning Leased Property.

After Closing of the transaction has been concluded, Seller shall allow the Buyer to continue operating in the current studio and other station facilities not purchased by Buyer rent free for a maximum period of 30 days from the date of Closing. After the initial 30 day period Buyer agrees to negotiate a temporary lease with the landowner until the move is completed. It is understood that the studio building is not the property of the Seller herein.

VII. Closing Documentation.

- A. At the Closing of the transaction, Seller, shall execute and deliver to Buyer, in forms reasonably acceptable to Buyer:
- i. An Assignment assigning to Buyer the Licenses;
 - ii. One or more bills of sale conveying to Buyer all Tangible Assets of the Business;
 - iii. Certificates of Title on all Tangible Assets of Seller that are Titled Assets conveying title thereto to Buyer;
 - iv. A Certification Certifying that there has been no material change in any of the assertions of Seller herein or in any of the items or information contained in the schedules attached hereto;
 - v. An Assignment of the intangible assets and records of the Business being assigned;
- Such other documents or instruments as may be reasonably required by Buyer to effectuate the consummation of the transaction.
- B. At the Closing of the Transaction, Buyer shall execute and deliver unto Seller, in forms reasonably acceptable to Seller:
- i. The Purchase Price;
 - ii. The Promissory note described in Paragraph II(A)(i) hereof ;
 - iii. The Security Agreement and UCC Financing Statement;
 - iv. A copy of the Corporate Resolution of the Buyer authorizing the transaction;



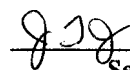
- v. A Certificate of Good Standing from the Mississippi Secretary of State; and,
- vi. Such other documents or instruments as may be reasonably required by Seller to effectuate the consummation of the transaction.

VIII. Prorations.

In addition to Taxes and other Pro-rations otherwise set forth in this agreement, revenues and expenses attributable to the operation of the Stations up to the close of business on the day before the Closing Date will be for the account of Seller and thereafter for the account of Buyer. Expenses, including, but not limited to, such items as power and utilities charges, FCC Regulatory Fees, wages, commissions, taxes, insurance premiums, frequency discounts, prepaid time sales agreements (including trade or barter agreements), rents, and music licensing fees (if any) shall be prorated between Seller and Buyer (the "Prorations") consistent with the preceding sentence. Any FCC regulatory fees or taxes not known on the Closing Date shall be prorated on the basis of the FCC regulatory fees or taxes assessed for the preceding year, and shall be reapportioned as soon as the new FCC regulatory fees or tax rate and valuation, as applicable, can be ascertained; and, if the FCC regulatory fees or taxes which are to be apportioned shall thereafter be abated, the amount of such abatement, less the reasonable cost of obtaining the same, shall be also apportioned between the Buyer and Seller; provided, however, that no party shall be obligated to institute proceedings for an abatement. Prorations shall be made and paid, insofar as feasible, on the Closing Date, with final accounting and settlement ninety (90) days after the Closing Date.

IX. Contracts and Conducting Business by Seller.

- A. That attached hereto as Schedule D is a list, with copies, of all Contracts of the Seller as to existing Advertising, Trades and Programming exceeding thirty days.
- B. It is understood and agreed that Buyer does not intend to incur or assume the contracts or obligations of Seller for any Trades agreements. However, Buyer will honor any pre-existing advertising and programming contracts through the end of the contract period, with the understanding that any moneys collected from said advertisers after the date of Closing will be the property of the Buyer. If the advertising contracts were prepaid, then an adjustment will be made at Closing for the sums due Buyer for and advertising that is broadcast after Closing. Buyer agrees to invoice advertisers only for that portion of the advertising that was broadcast by it following Closing. Seller will be responsible for collecting any sums owed her for advertising broadcast prior to Closing.
- C. Seller shall not enter into any contracts or extend existing contracts for Advertising or Programming that cannot be canceled upon thirty days notice, and Seller shall notify the other parties to such contracts of the termination of said


Seller


Buyer

contracts at the time of closing of the transaction.

- D. Any Contracts for Advertising that are to extend beyond the date of Closing (up to the thirty days set forth in paragraph C hereof) shall be prorated between the Buyer and Seller at Closing based upon the amount of the consideration received by Seller for the Contract. It is agreed by the parties hereto that Buyer will not be responsible for any collections of advertising accounts receivable of Seller after the Closing date. It will be the responsibility of Seller to collect any sums due her at or after Closing for advertising that was broadcast before Closing date.
- E. Seller shall not enter into any contracts (or extend existing contracts), other than advertising as restricted in this section, which will be binding on Buyer following the Closing without the express written consent of Buyer.
- F. Without the prior written consent of Buyer, Seller shall not sell, transfer, encumber or grant any security interest in or permit any new lien not existing at the date hereof on any of the Stations' assets which are to be conveyed to Buyer hereunder. Without the prior written consent of Buyer, which consent shall not be unreasonably withheld, Seller will not otherwise dispose of any of the Stations' assets which are to be conveyed hereunder other than disposition in ordinary usage and any such assets so disposed of shall be replaced. Seller shall maintain the Stations' transmission system in its current condition, normal wear and tear excepted. Seller shall conduct the operation of the Stations in the ordinary course, consistent with past practice.
- G. Between the date of this Agreement and the Closing Date, Buyer, its employees or agents shall not directly or indirectly control, supervise, or direct or attempt to control, supervise, or direct the operation of the Stations, but such operation shall be the sole responsibility of and in the complete discretion of Seller.
- H. Seller agrees that if Closing is imminent but does not occur on or before June 1, 2002, then Seller shall notify Westwood One Radio Networks that the Affiliation Agreements set to Expire on the last day of September, 2002, will not be renewed.
- I. Forty-five days prior to Closing, Seller and Buyer shall send a mutual letter drafted by Buyer to all Advertisers and other persons having Contracts with the Business that the transfer notifying such persons of the pending transaction.
- X. **Material Representations and Warranties of Seller**
 - A. Seller is the holder of regular FCC Licenses issued by the Commission for operation of the Stations for license terms expiring June 1, 2004 =



Seller



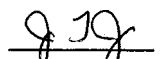
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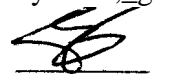
Seller has all FCC Licenses and all other material permits, licenses, franchises and authorizations necessary for the operation of the Stations as now operated ("Licenses"). The FCC Licenses and the Licenses are valid and in full force and effect and Seller has complied in all material respects with all laws applicable to the conduct of the business of the Stations as such business is presently being conducted. Seller has not engaged in any activity which would cause revocation or suspension of the FCC Licenses or the Licenses, and no complaint, action or proceeding looking to or contemplating the revocation or suspension of any thereof is pending or to Seller's knowledge threatened. All material applications, reports and other disclosures relating to the FCC Licenses or operation of the Stations required by the Commission and other appropriate bodies have been filed or will have been filed by the Closing in a timely manner.

- B. To the best of Seller's knowledge and belief, Seller is in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended, and the rules and regulations of the Commission and with all other applicable laws, ordinances, regulations, rules or orders. Schedule A is a complete list as of the date of this Agreement of all FCC Licenses and all other Licenses, which constitute all FCC authorizations and all other governmental authorizations which are required or necessary for the lawful conduct of the business and operations of the Stations as currently conducted. Schedule A also includes a complete list of all applications for FCC Licenses with respect to the business and operations of the Stations pending at the FCC as of the date hereof (the "FCC Applications"). Each FCC License and License is in effect, and the Seller is the legal holder thereof. The conduct of the business and operations of the Stations is in accordance with the FCC Licenses and the Licenses in all material respects. Except as set forth in Schedule A, and except for those conditions or restrictions appearing on the face of the FCC Licenses or other Licenses, none of the FCC Licenses or other Licenses is subject to any restriction or condition which would limit the operation of the Stations as currently operated. Seller is not a party to any agreement with any community group, governmental authority or other third party restricting programming, employment practices or other aspects of the business or operations of the Stations. Seller has delivered to Buyer true, correct and complete copies of the FCC Licenses, the Licenses and the FCC Applications, including any and all amendments and other modifications thereto. The FCC Licenses and the Licenses listed in Schedule A are currently in effect and are not subject to any liens or encumbrances. No license renewal applications are pending with respect to any of the FCC Licenses. As of the date hereof, Seller has no reason to believe that the FCC would not renew the FCC Licenses in the ordinary course for a full license term without any adverse conditions, upon the timely filing of appropriate applications. As of the date hereof, Seller has no reason to believe that the FCC would not grant the Assignment Application in the ordinary course without any adverse conditions.

There is as of the date hereof no suit, action or legal administrative arbitration or other proceeding or governmental investigation pending or to Seller's knowledge threatened which materially adversely affects the title to or interest of Seller in any of the Assets.


- D. Seller has duly filed with the appropriate foreign, federal, state and local governmental agencies all tax returns and reports which are required to be filed by Seller, and has paid in full all taxes (including interest and penalties) and FCC regulatory fees owed by Seller arising prior to the Closing Date. Seller is not a party to any pending action or proceeding, nor, to the best knowledge of Seller, is any action or proceeding threatened, by any governmental authority for assessment or collection of taxes, and no claim for assessment or collection of taxes has been asserted against Seller.
- E. Seller is in compliance in all material respects with, and has not received any notice asserting any non-compliance with, any applicable statute, rule or regulation (federal, state or local) whether or not related to the business or operation of the Stations, non-compliance with which could be reasonably likely to have a material adverse effect on the Stations or the Assets. Seller is not in default with respect to any, and the execution and performance of this Agreement will not cause Seller to be in default with respect to any, judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes in any respect material to the transactions contemplated hereby.
- F. No consent, approval, authorization or order of, or registration, qualification or filing with, any court, regulatory authority or other governmental body is required for the execution, delivery and performance by Seller of this Agreement, other than approval by the Commission of the Assignment Application as contemplated hereby. No consent of any other party (including, without limitation, any party to any Contract) is required for the execution, delivery and performance by Seller of this Agreement.
- G. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, the Stations, or the Assets are pending or, to Seller's knowledge, threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.
- H. Seller has good and marketable title to all the Assets sold to Buyer hereunder, and all such Assets are, or shall be at Closing, free and clear of any liens, claims,


Seller


Buyer

security interests, charges, options, or other encumbrances of any nature whatsoever, except as permitted by this Agreement. None of the Assets are subject to, or held under, any lease, mortgage, security agreement, conditional sales contract or other title retention agreement, or is other than in the sole possession or under the sole control of Seller. The delivery to Buyer of the instruments of transfer of ownership contemplated by this Agreement will vest good, marketable and exclusive title to the Assets to Buyer, free and clear of all liens, encumbrances, obligations and claims of any kind or nature whatsoever. As to any exception to this warranty of title, the Buyer shall be permitted to withhold portions of the purchase price necessary to pay over to any creditor maintaining a lien on any of the Assets to be sold to Buyer pursuant to this Agreement. Title and all risk of loss with respect to the Assets shall remain exclusively with Seller until the completion of the Closing.

- I. The execution or performance of any covenant, agreement or obligation of Seller under this Agreement does not constitute a breach or default or violation of any other agreement to which the Seller is a party and no consents from any other party are required.
- J. The financial information provided to Buyer by Seller relating to the Assets and the Business being purchased fairly represent the financial condition and results and operation of the Business; and since the date of the most recent financial statement provided to Buyer, attached hereto as Schedule C and incorporated herein by reference, there have not been any material adverse changes or any event or development which, individually or together with other such events, could reasonably be expected to result in a material adverse change in the condition of the Business or the Assets, financial or otherwise, except as disclosed to Buyer by Seller on Schedule C attached hereto.
- K. There are no actions, suits or proceedings relating to Seller, the Business or the Assets filed and served or to the best knowledge of Seller, commenced or threatened, by or before any court or any government or administrative agency, and there are no orders, injunctions, awards, judgments or decrees outstanding, against, affecting or relating to Seller, the Business or any of the Assets which individually or together with other such events, would have a material, adverse affect on the transactions contemplated by this Agreement.
- L. All federal, state and other tax returns and reports required to be filed by Seller as of the date hereof have been correctly and properly prepared and duly and timely filed by Seller and all taxes and other assessments and levies (including all interest and penalties) including, without limitation, income, franchise, sales, gross receipts, use and service taxes, and employment and employee withholding taxes owed by Seller have been timely and fully paid by Seller. All such taxes


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Buyer

and other assessments and levies which Seller is required by law to withhold, collect or deposit have been duly withheld, collected and deposited with the proper governmental or regulatory authorities or segregated and set aside for such payment and, if so segregated and set aside shall be timely and fully paid by Seller as is required by law. Neither the Internal Revenue Service nor any other taxing authority is now asserting, or to best of Seller's knowledge, is threatening to assert against Seller any deficiency or claim for additional taxes or interest thereof or penalties in connection therewith.

- M. Seller is in material compliance with all applicable laws, regulations and permits relating to environmental matters or protection of the environment with respect to each facility location included among the Assets and the Business and any property to be leased by the Buyer pursuant to the terms of this Agreement, including any new or assumed leases. Seller has not received any adverse written notice or other communication from any court or governmental agency, official or instrumentality of any alleged violation of any ordinance, law, decree, order, code or governmental rule or regulation relating to an environmental matter at any of the locations included in the operation of the Business relating to the Assets and leases. Furthermore, no person has caused or permitted Hazardous Materials to be stored, used, generated, released, discharged, refined, dumped, deposited, treated, recycled or disposed of on, under or at the Real Property or any other real property used in connection with the operation of the Stations.
- N. Seller has no employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, or any other severance, bonus, stock option, stock appreciation, stock purchase, retirement, insurance, health, welfare, vacation, severance pay, retired employee benefits, pension, profit-sharing or deferred compensation plans, agreements or arrangements providing benefits for employees or former employees of Seller (the "Employee Plans"), nor has Seller taken any action directly or indirectly to obligate Seller to institute any such Employee Plans. Seller is not a party to any contract with any labor organization, nor has Seller agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees. Seller has no knowledge of any organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of the Stations.
- O. All of the equipment used in connection with the operation of the Business is, or will be, in operating condition at the closing and if any item of equipment is not, the parties shall agree to resolve such matters in one of five ways: (i) the Seller shall cause the necessary repairs to be made; (ii) the parties shall agree upon a reduction of the price to be paid for that item; (iii) the item will not be included in the sale and the Purchase Price shall be adjusted accordingly; (iv) Buyer, in its

sole discretion, will agree to accept "as is"; or (v) the parties shall agree that Buyer will repair the item and bill the Seller for that cost. Furthermore, this Agreement is not intended to alter any warranty, express or implied, of any manufacturer or vendor (other than Seller) of any of the Assets or inventory, all of which the parties agree, to the extent permitted by law, are specifically assigned to Buyer.

- P. The only vehicle to be assigned is a converted 1985 Chevrolet Bus which has undergone the necessary inspections and maintenance as required by state and federal law, including without limitation, the federal DOT regulations and any counterpart based upon state law, and is otherwise road worthy.
- Q. No representation or warranty made by Seller in this Agreement or in any other writing furnished pursuant hereto or in connection therewith contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements and facts contained herein or therein, in light of the circumstances in which they were or are made, false or misleading.
- R. The contracts, agreements, leases and commitments set forth and described in Schedules D, E and G, are all of the contracts, agreements, leases and commitments relating to the Assets, to the Stations or to the Business and operation thereof, other than (i) contracts for the sale of advertising for cash at standard rates, or (ii) those which can be canceled by a party with 30 days prior notice and which will be canceled by Seller prior to the Closing Date. Seller has delivered to Buyer true and complete copies or descriptions of all such contracts, agreements, leases and commitments (and all amendments and modifications thereto) prior to the execution of this Agreement. To the best of Seller's knowledge, each contract, agreement, lease and commitment listed on the foregoing Schedules is in full force and effect and constitutes a valid and binding obligation of, and is legally enforceable in accordance with its terms against, the parties thereto.
- S. Neither this Agreement nor any ancillary agreement, or other documents furnished by or on behalf of Seller in connection with this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading in any material respect. To the best of Seller's knowledge, there is no fact or circumstance known to Seller which materially adversely affects or is likely to materially adversely affect the condition (financial or otherwise), properties, assets, liabilities, business, or operations of the Stations which has not been set forth in this Agreement or the schedules hereto.

The Assets, excluding the excluded assets, constitute all of the assets material to the operation of the Business in the ordinary course and there are no assets material to the Business owned by another entity or individual.

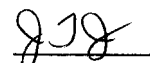
- U. All warranties, representations, covenants and agreements of Seller shall survive the Closing of this Agreement. All assets sold hereunder are sold "AS IS WHERE IS" with no warranties either expressed or implied by Seller unless such asset has an OEM warranty still valid which warranty will be passed to Buyer with no responsibility of Seller following Closing.

XI. Material Representations and Warranties of Buyer.

- A. Buyer is a Corporation organized and existing under the laws of the State of Mississippi in good standing.
- B. This document is executed by Buyer under corporate authority appearing in the minutes of the Corporation.
- C. Buyer has the financial ability to consummate this transaction.
- D. The execution, delivery and performance of this Agreement by Buyer is not conditioned on or prohibited by, and will not conflict with or result in the breach of the terms, conditions or provisions of, or constitute a default under, its Articles of Incorporation, or Bylaws, or any other agreement or instrument to which it is a party or otherwise subject.
- E. Neither this Agreement nor any ancillary agreement or other documents furnished by or on behalf of Buyer in connection with this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading in any material respect.

XII. Indemnification.

- A. Seller shall defend, indemnify and hold Buyer harmless from and against (1) any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or relative to (a) the operation or ownership of the Stations or the Assets prior to the Closing Date, irrespective of when asserted and (b) a breach of any of Seller's representations, warranties or covenants hereunder, and (2) any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses (including reasonable attorneys' fees) incident to any of the foregoing.



Seller



Buyer

- B. Buyer shall defend, indemnify and hold Seller harmless from and against (1) any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or relative to (a) the operation or ownership of the Stations or the Assets on and after the Closing Date and (b) a breach of any of Purchaser's representations and warranties hereunder, and (2) any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses (including reasonable attorneys' fees) incident to any of the foregoing.
- C. Either party may exercise rights of Setoff against any obligation owed to the other party for failure of the indemnifying party to indemnify after thirty days written notice.

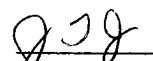
X111. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

- A. "Assignment Application" refers to the application to be filed with the FCC by the parties pursuant to Section XIV hereof by which the parties will be requesting the written consent of the FCC to the assignment of the FCC Licenses from Seller to Buyer.
- B. "Commission Order" means an Order of the Commission consenting to the assignment to Buyer of the FCC Licenses.
- C. "Final Order" means an order or action of the Commission that, by expiration of time or otherwise, is no longer subject to administrative or judicial reconsideration or review.

XTV. Other Provisions.

- A. Seller will not make any press releases concerning the transaction unless said press release is approved by Buyer in advance.
- B. Buyer and Seller agree to cooperate with each other in securing the regulatory approval of the transaction, and will execute such other documents as are required by regulatory agencies to effect the approval.
- C. Seller will be responsible for termination and severance of all employees of the Business, the Buyer will not continue employment contracts of the Seller.
- D. Except as expressly provided in this Agreement, Buyer does not and will not assume, incur or be charged with any liabilities or obligations of Seller of any nature whatsoever, contingent or otherwise, arising prior to or in connection with the Closing.

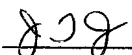
- E. The Commission Assignment Application Fee and other Application Fees for FCC Filings shall be equally split between Buyer and Seller. Each party will be responsible for payment of fees of their attorneys and consultants retained by them.
- F. Each Schedule attached hereto is incorporated into this agreement by reference for all purposes and constitutes the representation, warranty and obligation of Seller and shall be materially accurate, true and correct as of the date of this Agreement and materially accurate, true and correct as of the Closing Date. Information disclosed on one Schedule shall be deemed disclosed for all purposes under this Agreement. Seller promptly shall deliver to Buyer a copy of each document referred to therein. Between the date of this Agreement and the Closing Date, Seller shall, from time to time, promptly update the Schedules so as to maintain the accuracy of the information contained therein (provided, however, that no such update shall alter the covenants, obligations, representations or warranties of Seller hereunder), and shall promptly supply to Buyer copies of any new documents referenced in such Schedules. Buyer agrees to notify Seller if Buyer determines as a result of its due diligence or otherwise that there is a breach of any of Seller's representations and warranties and to give Seller thirty (30) days to cure any such breach.
- G. Within fourteen (14) business days following the execution of this Agreement, Seller and Buyer shall file the Assignment Application with the Commission. The parties will take all steps (other than those requiring the payment of any money or the obligation to dispose of or stop programming any other station) as may be necessary or proper to secure the expeditious and diligent prosecution of the Assignment Application to favorable conclusion. In the event that either (a) the Commission has not granted the Assignment Application within six (6) months of the date of this Agreement, or (b) the Commission shall have finally determined not to grant the Assignment Application, either Buyer or Seller may thereafter terminate this Agreement upon five (5) days' written notice to the other provided that the party desiring to terminate this Agreement is not responsible for the delay in obtaining Commission approval, the failure to obtain such approval or otherwise in material default under this Agreement. In the event that the Assignment Application is set for hearing, either party may terminate this Agreement upon five (5) days' written notice to the other, provided that the party desiring to terminate this Agreement is not primarily responsible for the designation of the application for hearing by the Commission or otherwise in material default under this Agreement.
- H. Media Services Group has acted as the sole consultant and broker of the Seller in this transaction. Seller covenants that it solely shall be obligated to Media Services Group if any payments are due for consulting/brokerage services. Each


Seller


Buyer

party represents and warrants to the other that no other broker, finder or consultant is or has been involved in the sale and purchase of the Stations, and each party shall indemnify, defend and hold the other party harmless from and against any and all brokerage, finder's or consultant's fees or any similar compensation or payment in connection with the transactions contemplated by this Agreement arising out of the indemnifying party's conduct.

- I. Within thirty days of the execution of this agreement, the Seller will make all files and other records of the Business available to Buyer for review from said time until closing during normal business hours. It is agreed however that information gained from such examination will not be used against Seller in a competitive fashion and will be maintained as confidential to Buyer only. Any disclosure to outside third parties without the written consent of Seller will be grounds for breach of agreement.
- 7. All covenants, agreements, representations and warranties of the parties under this Agreement, in any Schedule or certificate or other document delivered pursuant hereto, shall remain effective through and shall survive the Closing Date.
- K. This Agreement shall be construed, enforced and governed by the laws of the State of Mississippi.
- L. This Agreement is initialed on each page, and shall have an effective date of the last date of execution of the parties hereto.
- M. In the event of litigation arising out of this Agreement after execution, the prevailing party shall be entitled to recover, in addition to the relief granted, all costs incurred, including reasonable attorney's fees.
- N. Attached hereto as Schedule E is a list of current Tower Sites Leased by Seller.
- O. Attached hereto as Schedule G is a list of Creditors of Seller indicating assets pledged for the loans.
- P. The risk of any loss, damage or destruction to any of the Stations' assets to be transferred hereunder from fire or other casualty or cause shall be borne by Seller at all times prior to the Closing hereunder. Upon the occurrence of any loss or damage to any of the assets to be transferred hereunder as a result of fire, casualty or other causes prior to the Closing, Seller shall notify Buyer of same in writing stating, if known, the extent of such loss or damage incurred, the cause thereof and the extent to which restoration, replacement and repair of the Stations' assets lost or destroyed will be reimbursed under any insurance policy with react


Seller


Buyer

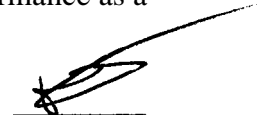
thereto. Subject to the provisions hereof, in the event that the cost of restoring, replacing or repairing the loss or damage exceeds, in the aggregate, Twenty Five Thousand Dollars (\$25,000) and the property cannot be substantially repaired or restored within thirty (30) days, Buyer shall have the option, exercisable within ten (10) days after receipt of such notice from Seller, to:

- i. Postpone the Closing Date until such time as the property has been completely repaired, replaced or restored, or
- ii. Elect to consummate the Closing and accept the property in its "then" condition, in which event Seller shall assign to Buyer all rights under any insurance claim or policy covering the loss and pay over any proceeds under any such insurance policy theretofore received by it with respect thereto and an amount equal to the deductible set forth in the applicable insurance policy or policies.

XV. Default.

- B. If Buyer breaches this Agreement, and such breach is not cured within thirty (30) days after written notice of such breach by Seller to Buyer, with the result that Buyer fails to close after the conditions to its closing have been satisfied, the Seller, if not then in material breach of its obligations, shall have the right to terminate this Agreement by written notice to Buyer. Seller's sole remedy in such event shall be to receive the Deposit on file with Media Services Group, which amount shall constitute liquidated damages for such breach and Seller shall be entitled to no other damages from Buyer. It is understood and agreed that such liquidated damages amount represents the parties' reasonable estimate of actual damages and does not constitute a penalty.
- C. If at any time Seller is in material default hereunder, and such default is not cured within thirty (30) days after written notice to that effect from Buyer to Seller, or if Seller fails or refuses to close after the conditions to its Closing have been satisfied, Buyer shall have the right to terminate this Agreement by written notice to Seller and shall be entitled to seek whatever remedies it may have at law or in equity. Any immaterial breach by Seller in respect of any representation, warranty or covenant shall not be deemed an act of default and shall be cured by an adjustment in the Purchase Price pursuant to agreement of the parties. Seller agrees that the Stations are unique and cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, in the event that Buyer institutes any action specifically to enforce Seller's performance under this Agreement, Seller agrees to waive the defense that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.


Seller


Buyer

XVI. **Notices. All Notices, required or permitted** to be given under this agreement shall be made by prepaid overnight courier, or certified or registered mail, return receipt requested, postage paid as follows:

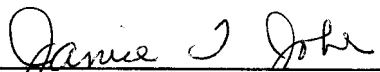
Notices to Seller:

Janice Jobe
54 CR 425
Corinth, MS 38834


Notices to Buyer:

Frederick A. Biddle
17 CR 404
Iuka, MS 38852

This Agreement is executed effective the date set forth above, being the date of the last signature of the parties below.



Janice T. Jobe, Executrix (Seller-Licensee)


Janice T. Jobe, Individual (Seller)

Power Valley Communications, Inc. (Buyer)

By: 

Frederick A. Biddle, President