

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made effective this 2<sup>ND</sup> day of May, 2005, by and among **NEW SOUTH RADIO, INC.**, a Mississippi corporation, ("Seller"); **HOLLADAY BROADCASTING OF LOUISIANA**, a Louisiana Limited Liability Company, ("Buyer"); and **BISHOP BROADCASTING, INC.**, a Mississippi corporation ("Company").

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### **RECITALS**

WHEREAS, Seller owns One Hundred (100) common shares of issued and outstanding capital stock (the "Stock") of Company representing one hundred percent (100%) of the outstanding capital stock of the Company; and,

WHEREAS, Buyer is in the business of owning and operating radio stations; and

WHEREAS, Company is a licensee of the Federal Communications Commission (hereinafter called "Commission" or "FCC") to operate radio Station WBBV-FM (the "Station"); and

WHEREAS, subject to and conditioned upon the consent of the FCC, Buyer desires to acquire from Seller and Seller desires to sell all the issued and outstanding capital stock of the Company has hereinafter provided; and

WHEREAS, Seller desires and intends to sell the Stock to Buyer and the Buyer desires and intends to purchase the Stock from the Seller upon the terms and conditions stated below.

NOW, THEREFORE, the parties, Buyer, Seller and Company agree to be legally bound as follows:

### **AGREEMENT**

#### **ARTICLE ONE: PURCHASE**

**1.1 Transfer of the Stock.** For the Purchase Price, as defined in Paragraph 2.1 below, and on the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell, assign, transfer, and deliver to Buyer at Closing, and the Buyer hereby agrees to purchase

from Seller, all of the right, title and interest in and to all shares of stock of Company issued and outstanding, consisting of One Hundred (100) common shares with no par value.

**1.2 Assets.** All of the assets which are used and usable in the operation of the Station (the "Assets") shall remain the property of Company. Such Assets and property shall include, but not be limited to, the following:

(a) the licenses, permits and other authorizations issued by the Commission (hereinafter "Commission Authorizations") and all other licenses, authorizations, permits, consents and certificates of any governmental body or instrumentality relating to the operation of the Station (collectively, the "FCC Licenses");

(b) all supplies and other goods and materials;

(c) all vehicles, equipment, furniture, furnishings and fixtures of Company which shall be in good operating condition and repair (reasonable wear and tear excepted) and are not in need of imminent repair or replacement, ordinary maintenance excluded. The quantity, quality and type of supplies, tubes and spare parts on hand at the Station are to the best of Seller's knowledge consistent with good business and engineering practices;

(d) all Company's leaseholds and licenses (the "Leased Premises"), and all rights appurtenant thereto and (to the extent owned by Company under the terms of leases applicable thereto) all leasehold improvements and fixtures, together with all appurtenances thereto (collectively, the "Real Estate");

(e) all of the intangible personal property, supplies, books and records maintained, owned or held by Company, which are used or useful in the business or operation of the Station, including, without limitation, all good will, copyrights, patents, trademarks, trade names, service marks, licenses, processes, trade secrets, permits, slogans, music libraries, jingles, public inspection files, logs, engineering records, FCC

applications and filings, and all records maintained by Company pursuant to the rules and regulations of the FCC and other similar intangible property rights and interests applied for, issued to, or owned by Company (including any and all applications, registrations, extensions and renewals relating thereto), memorabilia and awards, advertising promotional material, FCC logs, and such books, records and business records including, without limitation, advertising lists, files and correspondence, articles of incorporation, bylaws, tax returns, stock books and minutes as Buyer may reasonably request.

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(f) all agreements, contracts, contract rights, leases, purchase and sales orders, invoices, and license agreements (which have not been discharged or terminated in accordance with their respective terms or by the parties prior to the Closing) (hereinafter referred to as the "Contracts" and each individually as a "Contract");

(g) all rights to the call letters WBBV-FM; and

(h) all public utility, purchase order and other prepaid items.

**1.3 Contingency for Approval of Stock Transfer by FCC.** Buyer's obligations to purchase and the Seller's obligation to sell the Stock is contingent upon the approval of such transfer of the Stock as may be required by the FCC. Seller and Buyer shall make every reasonable effort to obtain such approval from the FCC. Filing Fees associated with obtaining such approval shall be shared by Buyer and Seller. Buyer and Seller shall cooperate with each other to obtain such approvals.

## **ARTICLE TWO: PURCHASE PRICE**

**2.1 Shareholder Purchase Price.** The Purchase Price to be paid by the Buyer to Seller for the Stock is FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000.00) (the "Purchase Price") to be paid in cash at Closing.

**2.2     Accounts Receivable.** Company's accounts receivable shall be assigned to Seller as of the date of Closing.

**2.3     Escrow.** Upon execution and delivery of this Agreement, Buyer shall deposit with Bourdeaux & Jones, LLP, Attorneys, as Escrow Agent, the sum of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00) ( the "Escrow Deposit"). The Escrow Deposit shall be held by Bourdeaux & Jones, LLP in a trust account to be created pursuant to the Escrow Agreement, Exhibit "A" hereto. If the Closing does not occur for any reason, the Deposit with interest shall be paid to the party entitled to it under the terms of this Agreement. The obligations of the Escrow Agent and the parties to the Escrow Deposit are described in the Escrow Agreement, simultaneously executed by the parties and attached as Exhibit "A" hereto.

**ARTICLE THREE:     WARRANTIES**

**3.1     Warranties of Seller.** Seller and Company hereby warrant, represent, and covenant to the Buyer, and this Agreement is made in reliance on the following, each of which is deemed to have been made again at, and shall survive, the Closing:

**A.     FCC Licenses.** Company is the authorized licensee of the Station by the FCC and on the Closing Date will be the holder of the existing FCC Authorizations for the Station, all of which are in full force and effect without qualification.

**B.     Ownership of Stock.** Seller shall at Closing own the Stock, beneficially and of record, free and clear of all liens, charges, claims, equities, restrictions, or encumbrances, and will have the full right, power, and authority to sell, transfer, and deliver to Buyer, in accordance with this Agreement, such Stock, free and clear of all liens, charges, claims, equities, restrictions and encumbrances. The sale by Seller of the Stock does not constitute a breach or violation of, or default under, any will, deed or trust, agreement, or other instrument by which Seller is bound. No warrant, right or option to

purchase said Stock exists in favor of any person, firm or corporation whatsoever. Seller shall not transfer any of Seller's shares to any person prior to Closing. The transfer of the Stock being sold hereunder from Seller to Buyer shall vest Buyer with a marketable title, clear of all liens and encumbrances, of all the issued and outstanding stock of Company.

**C. Duly Organized.** Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Mississippi and has its principal and only place of business at Vicksburg, Mississippi. Company has full power and authority to own its properties; to carry on the business presently conducted by it; and, to enter into and complete the transactions herein contained. The execution of this Agreement and the completion of the transactions herein involved will not result in the violation of any order, license, permit, rule, judgment or decree to which Company is subject or the breach of any contract, agreement or other commitment to which Company is a party or by which it is bound. No other consent of any kind is required that has not been obtained for Seller and Company to make or carry out the terms of this Agreement.

**D. Authorized Capital.** Company is authorized to issue One Hundred (100) shares of common stock of which One Hundred (100) shares of common stock are validly issued and outstanding, fully paid and nonassessable. At Closing all such common stock will be held by Seller and comprise the Stock. The Stock will be free and clear at Closing of all liens, pledges, encumbrances, charges, agreements or claims by or on the part of any person, firm or corporation. Seller will have good and indefeasible title to the Stock, which shall be transferred to Buyer free and clear of any liens, pledges, encumbrances, charge, agreement or claim. There are no outstanding stock options or warrants with respect to, or privileges or rights to purchase or subscribe for, any capital stock of Company, obligations or securities issued by Company convertible into shares of capital stock of

Company, or agreements provided for or relating to any options, warrants, purchase rights, privileges, convertible obligations, or securities to which Company is a party.

**E. Undisclosed Liabilities.** Except as disclosed on its Financial Statements, Company, as of the Closing Date, has no liabilities of any nature, whether accrued, absolute, contingent, or otherwise, and whether due or to become due, known or unknown, excluding only: (i) tax liabilities due or to become due (incurred in respect of or measured by Company's income for any period up to such date), (ii) such liabilities listed and described in **Exhibit "B"** ("Existing Liabilities"); and, (iii) month to month short term expenses.

**F. Taxes.** Company has filed all federal and state tax returns which are required to be filed, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by Company. Seller does not have any knowledge of any audit or tax deficiency proposed or threatened against Company.

**G. Compliance With Laws.** Company has to the best of its knowledge complied in all material respects with, and are not in material violation of, the federal, state and local laws, regulations and orders (including any applicable statutes, ordinances or codes relating to zoning and land use, health and sanitation, environmental protection, occupational safety and the use of electrical power) and any other requirements of any governmental authority or arbitrator affecting the Assets of Seller's business or operation of the Station as presently conducted or operated by Seller and Company. Without limiting the generality of the foregoing and to the best of Seller's knowledge:

(a) the Station, transmitting and studio equipment is operating in accordance with the standards of good engineering practice, the terms and conditions of the FCC Licenses and all underlying construction permits, and the

rules, regulations and policies of the FCC, including, without limitation, all regulations concerning equipment authorization and human exposure to radio frequency radiation; and that, to Seller's knowledge, no hazardous substances are being created or released by Company's operation of the Station, and, to Seller's knowledge, no violations of regulations of the Occupational Safety and Health Act (OSHA) have occurred;

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(b) Company has, in the conduct of the Station's business, complied with all applicable laws, rules and regulations relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security and similar taxes, and Company is not liable for any arrears of wages or any tax penalties due to any failure to comply with any of the foregoing;

(c) Company is in compliance with the terms and conditions of all applicable standards and requirements imposed by the environmental laws and any orders, decrees, judgments or plans promulgated, entered or approved thereunder, including, without limitation, all applicable reporting and record keeping obligations;

(d) (i) all ownership reports, employment reports, and other documents required to be filed by Company with the FCC or other governmental authorities have been filed; (ii) such items as are required to be placed in the Station's local public records file have been placed in such file; (iii) all proofs of performance and measurements that are required to be made by Company with respect to the Station's transmission facilities have been completed and filed at the Station; and (iv) all information contained in the foregoing documents is complete and correct in all material respects.

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**H. Litigation.** There is no complaint, investigation or proceeding pending or, to the best of Seller's knowledge, threatened before or by the FCC or any other governmental authority relating to the business or operation of the Station. There is no other litigation, action, suit, investigation or proceeding pending or, to the best of Seller's knowledge, threatened or any outstanding judgment that may give rise to any claim against any of the Assets or adversely affect Seller's and Company's ability to perform in accordance with the terms of this Agreement. ~~Seller is not aware of any facts that could~~ reasonably result in any such proceedings.

**I. Title to Assets.** Company has good and sufficient title in and to all of the Assets; and such Assets are in each case free and clear of all mortgages, liens, charges, encumbrances, equities, conditional sales agreements, or claims of any nature whatsoever, except for Existing Liabilities.

**J. Contracts and Permits.**

1. Company is a party to and has certain obligations pursuant to the Contracts. A copy of each such contract has been made available to the Buyer for its review.

2. With respect to Contracts that require the consent of third parties for this transaction, but for which the consent of such third parties has not been obtained as of the Closing Date, Company shall continue to perform obligations hereunder only for a period after Closing during which it receives the benefits to which it is currently entitled under Seller's ownership. To the best of Seller's knowledge: (i) each Contract is in full force and effect and is unimpaired by any acts or omissions of Seller, Company, or its officers, directors, shareholders, employees or agents; (ii) there has not occurred as to any Contract, any material



default by Seller or Company or any event that, with the lapse of time or otherwise, could become a material default by any of them; and (iii) there has not occurred as to any Contract any material default by any other party thereto or any event that, with the lapse of time or at the election of any person other than Company, could become a material default by such party. If any Contract or Lease Agreement requires the consent of any third parties in order to complete the transactions contemplated herein, or to enable Company thereafter to enjoy the full benefit of that contract after Closing subject only to the Contract's present terms, Company and Seller shall obtain all such required consents prior to Closing.

**K. Real Property.** Company leases the following real estate: Studio and Tower location. Proper legal descriptions of these parcels have been furnished to Buyer together with copies of the leases. These parcels are all the real estate used in or necessary for the operations of the Station, both as required by all applicable laws and as presently operated by Company. There are no pending or, to the best of Seller's and Company's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Real Estate. Company's use and occupancy of the Real Estate comply in all material respects with all applicable regulations, codes, ordinances, and statutes relating to health and sanitation, environmental protection, occupational safety, and the use of electrical power.

**L. Utilities.** All utilities that are required for the full and complete occupancy and use of the Station's studio and tower site properties, including, without limitation, electricity, water, telephone and similar systems, have been connected to the studio and tower site properties and are in good working order. Company has, or by the Closing Date will have, paid all charges for such utilities, except for those charges that will not become

due until after the Closing Date. No utility lines serving the Station and studio and tower site properties pass over the land of others except for where appropriate easements or licenses have been obtained.

**M. Environmental Protection.** Except as consistent with applicable environmental laws, to the best of Seller's and Company's knowledge: (i) no hazardous substances are located on or below the surface of the studio and tower site properties; and (ii) the studio and tower site properties have not previously been used for the manufacture, refining, treatment, storage, or disposal of any hazardous substances. Company has not been identified as a potentially responsible party for liability with regard to hazardous substances, or any other matter arising under any environmental law in any litigation, administrative proceeding, finding, order, complaint, citation, investigation, or notice, and Seller is not aware of any facts that could result in any of such parties being so identified due to its ownership or operation of the Real Estate.

**N. Patents, Trade Marks, Copyrights.** "Promotional Rights" of the Station include all call signs, copyrights, patents, trade marks, trade names, slogans, logos, service marks, and other similar intangible property rights currently used to promote or identify the Station, in good standing, uncontested, owned by Company, and will be transferred with Company to Buyer at Closing. Seller has no knowledge of any infringement or unlawful or unauthorized use of the Promotional Rights, including without limitation the use of any call sign, slogan or logo by any broadcast or cable station in the Station's service areas that may be confusingly similar to the call signs, slogans, and logos currently used by the Station. No one has asserted to Seller that the operations of the Station infringe, and to the best of Seller's knowledge, such operations do not infringe any copyright, patent, trade mark, trade name, service mark, or other similar right of any third party.

New South Communications, Inc. is the owner of the service mark "The Radio People," which New South Communications, Inc. has authorized Seller to use in the operation of the Station. New South Communications, Inc. shall retain ownership of the mark "The Radio People," but Buyer shall be authorized to use the mark in the operation of the Station.

**O. Insurance.** All the insurance policies held by Company with respect to the Assets and the Station's businesses have been furnished to Buyer. All of the Assets that are of an insurable character are insured against loss or damage by fire and other risks customarily insured against by entities of established reputation owning similar property and operating businesses comparable to the Station in the radio markets served by the Station.

**P. Insolvency Proceedings.** No insolvency proceeding of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Assets is pending or threatened. Company has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of such insolvency proceedings.

**Q. Loans, Guarantees.** Seller shall not make and shall ensure that Company does not make any loans or advances, or assumes, guarantees, endorses or otherwise becomes responsible for the obligations of any other individual, firm, corporation or entity if such action would affect the Station or the Assets.

**R. Absence of Undisclosed Liabilities.** After reasonable inquiry, Seller has no knowledge of any liability or obligation of any nature, whether known or unknown, absolute or contingent, liquidated or unliquidated (whether due or to become due), affecting the Assets or the business or operation of the Station other than (I) those set forth or

reflected in the most recent balance sheet of Company dated January 31, 2005, and delivered to Buyer; (ii) those incurred since the date of the balance sheet, which were incurred in the usual and ordinary course of the Station's operation and are not inconsistent with the other representations, warranties and agreements set forth in this Agreement; or (iii) executory obligations to be performed after the date hereof under contracts and commitments expressly referred to in this Agreement.

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**S. Financial Statements.**

Seller has furnished Buyer with Company's financial statements (the "Financial Statements"). Except as reflected in the unaudited Financial Statements or otherwise disclosed to Buyer in writing, no event has occurred since the preparation of the most recent Financial Statements that would make such Financial Statements misleading in any material respect.

**T. Access.** Between the date hereof and the Closing Date, Buyer shall have complete access to the Station and its properties, and Seller and Company shall give Buyer or representatives of Buyer reasonable access to all Company's Assets and other properties, titles, contracts, agreements, leases books, records and affairs of Company relating to the operations of the Station. It is expressly understood that, pursuant to this Section, Buyer shall be entitled to make an engineering inspection of the Station.

**U. Operations and Conduct of Station's Business Prior to Closing.** Between the date of this Agreement and the Closing Date, the Station's operations and business shall be conducted as presently operated by Company.

**V. Licenses and Authorizations.** The Station's FCC Licenses are all the Commission Authorizations held by Company with respect to the Station, and are all the Commission Authorizations used in or necessary for the lawful operation of the Station as

presently operated by Company. The Station's FCC Licenses are in unconditional full force and effect, and are unimpaired by any acts or omissions of Company or its officers, directors, shareholders, employees or agents. There are no proceedings, complaints, or investigations pending or, to the best of Seller's knowledge, after reasonable inquiry before or by the Commission relating to the business or operations of the Station. All ownership reports, employment reports and other documents required to be filed by Company with the Commission have been timely filed; such items as are required to be placed in the Station's local public records files have been placed in such files; and all proofs of performance and measurements that are required to be made by Company with respect to the Station's transmission facilities have been completed and are on file at the Station. All such reports and documents are complete and correct in all material respects.

**W. Personal Property.** The Assets, together with any improvements and additions thereto and replacements thereof less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, will, at Closing, be all the material tangible personal property used in or necessary for the lawful operation of the Station as presently owned by Company. The Assets, except as specifically indicated therein, are in good operating condition and repair (reasonable wear and tear excepted) and are not in need of imminent repair or replacement. The Station's transmitting and studio equipment is operating in accordance with the standards of good engineering practice, the terms and conditions of the Station's FCC Licenses and all underlying construction permits, and the rules, regulations and policies of the Commission, including without limitation all regulations concerning equipment authorization and human exposure to radio frequency radiation.

**Z. Disclosures.** No representation or warranty contained herein, and no statement made in any exhibit or other document furnished in connection with or attached to this Agreement, contains any untrue statement of a material fact or omits to state any material fact necessary to make any such representation, warranty, or statement not misleading to a prospective purchaser of all of the capital stock of Company.

**AA. No Misleading Statements.** No statement made by Seller and Company to Buyer and no information provided or to be provided by Seller and Company to Buyer pursuant to this Agreement or in connection with the negotiations covering the purchase and sale contemplated herein contains or will contain any untrue statement of a material fact or omits or will omit a material fact. There are no facts or circumstances known to Seller that, either individually or in the aggregate, will materially adversely affect after the Closing the Assets or the business or condition (financial or otherwise) of the Station. All representations and warranties of Seller set forth in this Agreement shall be true and correct as of the Closing Date as if made on that date.

**3.2 Warranties of Buyer.** Buyer represents and warrants that it is financially capable of performing any and all its obligations under this Agreement.

**3.3 Survival of Warranties.** The warranties, representations and covenants of each of the parties to this Agreement shall survive the execution of this Agreement for a period of one (1) year following the consummation of the purchase and sales herein described. The parties have made no other representations or warranties with respect to the transactions contemplated by this Agreement, except as otherwise specifically stated above.

**ARTICLE FOUR: RISK OF LOSS**

**4.1** The risk of loss, damage or destruction to any of the Assets to remain the property of the Company hereunder shall be upon Seller and Company at all times prior to Closing. In the

event that during this time, any loss, damage or destruction occurs, the proceeds of any insurance policy covering such loss, damage or destruction shall be applied by Seller and Company to the restoration of said Assets, and Seller and Company shall take immediate steps, to repair, replace and restore the lost, damaged or destroyed property to its former condition; provided, however, if the proceeds of such insurance are not sufficient to repair, replace or restore the lost, damaged or destroyed property and Seller and Company do not provide additional funds for such purpose upon request by Buyer, Buyer may terminate this Agreement. In the event such property is not

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completely repaired, replaced or restored prior to Closing under this Agreement, if Buyer so elects, in its sole discretion, Buyer shall have the right to consummate this Agreement and accept Company and its property in its then condition. Further, in the event such loss, damage or destruction prevents the broadcast transmission of the Station in the normal and usual manner, Seller or Company shall give written notice thereof to Buyer within twenty-four (24) hours thereafter. If Seller or Company does not restore the facilities so that transmission is resumed in the normal and usual manner within seven (7) days of such loss, damage or destruction, Buyer or Seller shall have the right to terminate this Agreement. In the event of any termination pursuant to this section, neither party shall have any further rights or liability hereunder. Notwithstanding the provisions of this paragraph, Buyer shall be liable to Company for damage to or destruction of the Assets not covered by the existing insurance coverage which shall be maintained by Seller and Company prior to Closing, where such damage or destruction is caused by Buyer, its agents or employees.

**ARTICLE FIVE: INDEMNIFICATION**

**5.1 Buyer's Right to Indemnification.** Seller undertakes and agrees to hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or suffered by Buyer arising from: (I) the material breach, misrepresentation, or other violation of any of Seller's representations, warranties, or covenants

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contained in this Agreement; (ii) all liabilities of Seller not expressly assumed by Buyer pursuant to this Agreement or otherwise consented to by Buyer in writing; (iii) all liens, charges, or encumbrances on any of the Assets that are not expressly permitted by this Agreement or otherwise consented to by Buyer in writing; (iv) any breach of default by Seller under any contract, sales agreement or trade agreement prior to Closing; (v) the failure to obtain any third party consents that were required in order for Seller to assign any contracts to Buyer or to enable Buyer to enjoy the full benefit of the contracts after Closing subject only to the contracts' present terms;

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(vi) any violation or claimed violation of any environmental law, rule or regulation. The foregoing indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs and expenses with respect to any and all of the specific matters set forth in this indemnity (and shall be without limitation as to amount).

**5.2 Seller's Right to Indemnification.** Buyer undertakes and agrees to hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or suffered by Company or Seller arising from (i) the material breach, misrepresentation or other violation of any of Buyer's representations, warranties or covenants contained in this Agreement; (ii) the operation of the Station or ownership of the Assets after Closing; (iii) all liabilities of Buyer; (iv) all liabilities under the contracts, sales agreements and trade agreements to the extent assumed by Buyer; and, (v) any material breach or default by Buyer under any contract, sales agreement or trade agreement after Closing. The foregoing indemnity is intended by Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs and expenses with respect to any and all of the specific matters set forth in this indemnity (and shall be without limitation as to amount).

**5.3 Seller's Remedies.** Buyer recognizes that if this transaction is not consummated as a result of Buyer's default, Seller will be entitled to compensation, the extent of which is



extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the transaction is not consummated due to the material default of Buyer, then Seller, provided that Seller is not in default and has otherwise complied with Seller's obligations under this Agreement, shall be entitled to liquidated damages in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction.

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**5.4 Buyer's Remedies.** Buyer recognizes that if this transaction is not consummated as a result of Buyer's default, Seller will be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the transaction is not consummated due to the material default of Buyer, then Seller, provided that Seller is not in default and has otherwise complied with Seller's obligations under this Agreement, shall be entitled to liquidated damages in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction. In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to recover liquidated damages in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Buyer might otherwise be entitled due to Seller's wrongful failure to consummate the transaction.

**5.5 Limitations on Indemnification Rights.** Neither party shall be entitled to assert any claim for indemnification hereunder until the aggregate amount of all claims of that party for indemnification exceed \$5,000.00 (the "Agreed De Minimis Amount"); provided, however, that the

foregoing limitation shall not apply with respect to third-party claims. Indemnification shall be due only to the extent of the loss or damage actually suffered and then only to the extent of the excess over the Agreed De Minimis Amount if otherwise applicable.

**5.6 Indemnification Not Sole Remedy.** The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

**ARTICLE SIX: APPLICATION FOR COMMISSION APPROVAL**

**6.1 Filing and Prosecution of Application.** Within fifteen (15) days of execution of this Agreement, Buyer, Seller and Company shall join in an application to be filed with the Commission requesting its written consent to the transfer of control of Company from Seller to Buyer (the "Application"). Buyer and Seller shall proceed with due diligence and promptly take all steps necessary to the expeditious prosecution of such Application to a favorable conclusion, using their best efforts throughout.

**6.2 Expenses.** Each party shall bear its own expenses in connection with the preparation of the applicable sections of the Application and in connection with the prosecution of the Application. Seller and Buyer will divide and pay equally all filing fee or grant fee imposed by the FCC.

**6.3 Designation for Hearing.** If, for any reason, the Application is designated for hearing by the Commission, either party, if not then in default, shall have the right by written notice within thirty (30) days of such designation for hearing, to terminate this Agreement, in which event neither party shall have any rights or liabilities hereunder.

**6.4     Time for Commission Consent.** If the Commission has not given its written consent to the transfer of control set forth herein within twelve (12) months from the date of acceptance for filing of the application for transfer with the Commission, either party, if not then in default, may terminate this Agreement by giving written notice to the other. Upon such termination, neither party shall have any right or liability hereunder.

**6.5     Control of Station.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operations of the Station.

**ARTICLE SEVEN:    CLOSING**

**7.1     Closing Date.** The closing of this Agreement (the "Closing") shall take place at the offices of Bourdeaux & Jones, LLP, 505 Constitution Avenue, Meridian, Mississippi, on the last day of the month during which the FCC approval of the Application becomes a Final Order (the "Closing Date"), unless the parties agree, in writing, to an earlier place, time and date. Finality may be waived after the date of FCC approval by Seller and Buyer, and the parties may agree on and shall select such other place, date and time. The word "final" shall mean the date on which the time for rehearing, reconsideration, review or appeal by the Commission or any court under the provisions of the Communications Act of 1934, as amended, or the regulations issued by the Commission thereunder, shall have expired without any request for rehearing, reconsideration, review or appeal pending.

**7.2     Obligations at Closing.** On the Closing Date, the following actions shall take place concurrently and the parties' obligations under this Agreement are conditioned on the occurrence of those events set forth below:

**A.     Seller's Obligations.** Seller shall deliver to the Buyer:

1. The certificates representing the Stock of Company duly endorsed for immediate transfer to the Buyer.

2. A certificate, dated as of the Closing Date, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date, and that all of the terms, covenants, and conditions to be complied with and performed by Seller and Company on or prior to the applicable Closing Date have been complied with or performed in all material respects.

3. The resignations of all officers and directors of Company.

4. Company's corporate record book, stock book and corporate seal.

5. A certified copy of the charter and all amendments thereto of Company and a Certificate of Good Standing in the State of Mississippi, dated within thirty (30) days of the date of Closing.

6. An opinion of Seller's counsel, dated as of the Closing Date, to the effect that:

(i) Company is a corporation, validly existing and in good standing under the laws of Mississippi, and has full, lawful corporate power and authority to carry on its business as it is then being conducted.

(ii) The Commission has approved the transfer to Buyer of control of Company and that such approval has become a Final Order or at Buyer's option, approval has been granted but has not become a Final Order; that all other required consents or approvals, by private parties necessary for the performance of any obligations hereunder by Seller have been received; that this Agreement and all documents required to be delivered hereunder have been duly executed and delivered by Seller and

any other party or parties required to execute any such document, and constitute the valid and binding obligation of Seller enforceable against the Seller in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws from time to time in effect. In rendering such opinions, counsel may rely upon Seller's and Company's corporate record books and upon such certificates of public officials and officers of Seller and Company as counsel

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deems appropriate. Counsel may also rely upon or provide the opinions of such other counsel as the firm may deem appropriate, or may substitute the opinion of Seller's Mississippi counsel for such matters, including matters relating to the laws of the State of Mississippi, provided that counsel states the reason for relying upon such other counsel and such other counsel is reasonably acceptable to Buyer.

(iii) Following the Closing in which this opinion is delivered, Buyer will hold one hundred percent (100%) of Company's authorized and issued stock free and clear of all liens and encumbrances.

(iv) This Agreement constitutes the legal, valid, and binding obligations of Seller and Company, enforceable in accordance with its terms except as its enforceability may be limited by bankruptcy, insolvency, moratorium, and other laws relating to or affecting creditor's rights generally and by the exercise of judicial discretion in accordance with general equitable principles.

(v) None of (i) the execution and delivery of this Agreement, (ii) the consummation of the transactions contemplated by this Agreement, or (iii) compliance with the terms and conditions of this Agreement will

conflict with, breach the terms and conditions of, constitute a default under, or violate Company's articles of incorporation or by-laws, or any judgment, decree, order, agreement, lease or other instrument known to counsel to which Seller or Company is a party or by which either is legally bound.

(vi) No suit, action or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to restrain Seller from carrying out the transaction contemplated by this Agreement or Seller's obligations thereunder.

(vii) To the best of their knowledge, there is no outstanding judgment, or any suit, action or claim pending, threatened or deemed by Seller or Company to be probable of assertion, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally) that could reasonably have an adverse effect upon the Assets or upon the business or operations of the Station after Closing.

(viii) Company's FCC Licenses are validly held and are in full force and effect.

(ix) The FCC Licenses include all the licenses, permits and authorizations necessary to operate an FM station on its then authorized frequency.

(x) The Seller has all necessary authority from the FCC to use the call sign WBBV-FM.

(xi) The most recent renewal of the FCC Licenses has been granted by the Commission in the ordinary course.

(xii) The Order of the FCC granting its consent was released on Date of Release, and public notice of such consent was given on Date of Public Notice. The time within which any party in interest other than the FCC may seek administrative or judicial reconsideration or review expired on Date of Expiration and no petition for such reconsideration or review was timely filed with the FCC or with the appropriate court unless Buyer elects to close prior to Final Order. The FCC's consent is in full force and effect.

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The time within which the FCC may review the consent on its own motion has expired and that FCC has not undertaken such review.

(xiii) The execution and delivery of this Agreement, and the performance by the Seller and Company of their obligations under the Agreement, will not violate the Communications Act or the Rules of the FCC.

7. Such other documents or instruments as counsel for Buyer, may reasonably request to carry into effect the provisions of this Agreement.

8. All documents to be furnished under this section shall be in a form reasonably acceptable to counsel for Buyer.

**B. Buyer's Obligations.** Buyer shall deliver to the Seller the following at Closing:

A Promissory Note in the principal amount of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000.00), payable over a period of five (5) years, with interest at a rate determined by Seller.

**7.3 Conditions to Obligations of Buyer.** The obligations to Buyer to consummate the transactions herein contemplated at Closing are subject to and conditioned on:

**A. Commission Approval.** The approval of the Commission to the transfer of control application having become a Final Order, unless Buyer elects to close prior to the date of finality.

**B. Material Performance.** Company and Seller having, in all material respects, performed and complied with, or caused the performance of and compliance with, all obligations under this Agreement that must be performed or complied with by them prior to the Closing, including, without limitation, obtaining all consents necessary for Company to retain any material item of the Assets under its new ownership, as contemplated hereunder.

**C. Representations and Warranties.** The representations and warranties of Seller pursuant to this Agreement having been true and correct in all material respects when made and being true and correct in all material respects as if made at and as of Closing.

**D. Third Party Consents.** The consent of any other party, if required, to the transfer or assignment of Company of any leases, Contracts and agreements (unless otherwise indicated thereon) which are in effect on the Closing Date.

**7.4 Conditions to Obligations of Seller.** The obligations of Seller to consummate the transaction herein contemplated at Closing are subject to and conditioned on:

**A. FCC Consent.** The written consent of the Commission to the transfer applications.

**B. Purchase Price.** The payment by Buyer, in cash of the total sum of Four Hundred Thousand and No/100 Dollars (\$400,000.00). The Purchase Price shall be payable over a period of five (5) years with interest at a rate to be determined by Seller.



C. **Substantial Performance.** Buyer having, in all material respects, performed and complied with, or caused the performance of and compliance with, all obligations under this Agreement which are to be performed or complied with by it or on its behalf at or prior to the Closing.

D. **Representations and Warranties.** The representations and warranties of Buyer pursuant to this Agreement having been true and correct in all material respects when made and being true and correct in all material respects as if made at and as of the Closing.

Neither Seller nor Company shall have any liability to Buyer if Seller shall not consummate this transaction by reason of the failure of Buyer to satisfy any such condition.

7.5 **Further Assurances.** From time to time, at and after the Closing, at Buyer's request and without further consideration, Seller will execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer may reasonably require more effectively to convey, transfer to and vest in Buyer and to put Buyer in possession and operating control of, any part of the Assets.

#### **ARTICLE EIGHT: MISCELLANEOUS**

##### **8.1 Assignability.**

(a) Subject to Seller's prior written approval, which may not be unreasonably withheld or delayed.

(1) Buyer may assign its rights and obligations under this Agreement to any Financially Suitable person or entity capable of qualifying and meeting the requirements of the FCC under Section 73.3555 of its rules and which would qualify under FCC requirements to acquire the Station's FCC License. Financially Suitable shall mean any financially able entity with previous successful experience in the

operation of radio Station meeting the FCC requirements to acquire the Station's FCC License. Any question as to the Financial Suitability of any potential assignee shall be resolved by Seller, but such approval shall not be unreasonably withheld. If the potential assignee is approved as Buyer hereunder, it shall enjoy all the rights and be subject to all the duties contained herein; and

(2) Notwithstanding subsection (1) above: (i) Buyer may at any time ~~assign its rights and duties hereunder to another entity in which Buyer's president~~ or other controlling parties hold a controlling interest provided that such interest is not recognized as attributable under the rules and regulations of the FCC; and (ii) Buyer may make a collateral assignment of its rights under this Agreement to any institutional lender(s) who provides funds to Buyer the repayment of which will be secured by this Agreement. Seller agrees to execute an acknowledgment of such collateral assignment(s) in such form as Buyer's institutional lender(s) may from time to time request. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assigns.

**8.2 Notices.** All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally or mailed by certified mail, return receipt requested, postage prepaid, or by an overnight carrier that provides a written confirmation of delivery, addressed as follows:

(a) If to Seller:

F.E. Holladay  
New South Communications, Inc.  
P. O. Box 5797  
Meridian, MS 39302  
Telecopier: (601) 483-9826

with a copy (which shall not constitute notice) to:

William C. Hammack, Esq.  
Bourdeaux & Jones, LLP, Attorneys  
P. O. Box 2009  
Meridian, MS 39302-2009  
Telecopier: (601) 639-0226

(b) If to Buyer:

Robert H. Holladay  
Holladay Broadcasting of Louisiana, LLC  
P. O. Box 4808  
Monroe, LA 71211  
Telecopier: (318) 388-0569

with a copy (which shall not constitute notice) to:

Donald Kneipp  
1401 Hudson Lane  
Suite 219  
Monroe, LA 71201

Any party may change its address for notices by notice to the others given pursuant to this Section.

**8.3 Governing Law and Venue.** All questions with respect to the construction of this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of Mississippi.

**8.4 Inurement.** Subject to the restrictions against assignment as herein contained, this Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, estates, heirs and legatees of each of the parties hereto.

**8.5 Attorneys' Fees.** In the event of any controversy, claim, or dispute between the parties hereto, arising out of or relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees and costs.

**8.6 Entire Agreement.** This Agreement contains the entire agreement of the parties hereto, and cancels, revokes and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements,

arrangements, or understandings, oral or written, between and among the parties hereto, relating to the subject matter contained in this Agreement, which are not fully expressed herein.

**8.7     Section Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**8.8     Arbitration.** Except for the special arbitration provisions provided for herein and as otherwise provided to the contrary below, any dispute arising out of or related to this Agreement ~~that Seller and Buyer are unable to resolve by themselves shall be settled by arbitration in~~ Mississippi by a panel of three arbitrators. Seller and Buyer shall each designate one disinterested arbitrator, and the two arbitrators so designated shall select the third arbitrator. The persons selected as arbitrators need not be professional arbitrators, and persons such as lawyers, accountants, brokers, and bankers shall be acceptable. Before undertaking to resolve the dispute, each arbitrator shall be duly sworn faithfully and fairly to hear and examine the matters in controversy and to make a just award according to the best of his or her understanding. The arbitration hearing shall be conducted in accordance with the rules of the American Arbitration Association. The written decision of a majority of the arbitrators shall be final and binding on Seller and Buyer. The costs and expenses of the arbitration proceeding shall be assessed between Seller and Buyer in a manner to be decided by a majority of the arbitrators, and the assessment shall be set forth in the decision and award of the arbitrators. Judgment on the award, if it is not paid within thirty (30) days, may be entered in any court having jurisdiction over the matter. No action at law or suit in equity based upon any claim arising out of or related to this Agreement shall be instituted in any court by Seller or Buyer against the other except (i) an action of compel arbitration pursuant to this Section, (ii) an action to enforce the award of the arbitration panel rendered in accordance with this Section, or (iii) a suit for specific performance.

**8.9 Prior Negotiations.** This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of said prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

**8.10 Entire Agreement; Amendment.** This Agreement and the Exhibits and Appendices to this Agreement, set forth the entire understanding between the parties in connection with the transaction contemplated herein, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by the party against whom the enforcement of any such change is sought.

**8.11 Exhibits and Appendices.** The Exhibits attached hereto or referred to herein are a material part of this Agreement, as if set forth in full herein.

**8.12 Severability.** If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

**8.13 Waiver.** Unless otherwise specifically agreed in writing to the contrary: (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either party of any default by the other shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by either party for the

performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

**8.14 Counsel.** Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

**8.15 Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

**8.16 Exclusive Dealings.** For so long as this Agreement remains in effect neither Seller nor any person acting on Seller's behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person concerning the acquisition of the Station by any party other than Buyer or Buyer's permitted assignee.

**8.17 Confidentiality.** If this Agreement is not consummated, Buyer will not use or disclose to third parties, or permit any of its employees, agents, or representatives to use or disclose to third parties, except to the extent publicly available or obtained from independent sources, information about Seller which is obtained during its investigation of Seller's business and the Station.

**8.18 Public Announcements.** No announcements shall be made by either party prior to Closing except upon mutual agreement of Seller and Buyer; provided, however, that Seller has

the right to give such local public notice of the assignment application as is required by the FCC without Buyer's prior approval.

**8.19 Survival.** The provisions hereof shall, for a period of two (2) years, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, executors, administrators, legal representatives, successors and assigns.

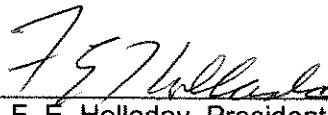
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**EXECUTION**

**IN WITNESS WHEREOF**, the parties hereto execute this Stock Purchase Agreement as of the effective date first written above.


**Seller:**

NEW SOUTH COMMUNICATIONS, INC.

By:   
F. E. Holladay, President

**Buyer**

HOLLADAY BROADCASTING OF LOUISIANA, LLC

By:   
Robert H. Holladay, Manager/Member