

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into this ~~11~~<sup>14</sup> day of July, 2008 (the "Agreement Date"), by and between **Backyard Broadcasting Mississippi, LLC** a Delaware limited liability company (the "Operating Company") together with **Backyard Broadcasting Mississippi Licensee, LLC**, a Delaware limited liability company (the "Licensee Company", and together with the Operating Company, "Seller"), and **New South Radio, Inc.**, a Mississippi corporation ("Buyer") (each sometimes referred to herein as a "Party" and together as the "Parties").

### WITNESSETH:

WHEREAS, the Licensee Company is the licensee of FM broadcast station WWJK(FM), Jackson, Mississippi, operating on the frequency 94.7 MHz (the "Station");

WHEREAS, the Operating Company owns all the operating assets of the Station, except the FCC Licenses (as defined below);

WHEREAS, Buyer desires to acquire and Seller desires to sell to Buyer certain of the assets, personal and real, tangible and intangible, used and useful in the operation of the Station including, but not limited to, the licenses, construction permits, and other authorizations issued by the Federal Communications Commission ("FCC" or "Commission") for its operation ("FCC Licenses"), as well as any licenses and authorizations issued by other governmental entities (collectively, including the "FCC Licenses," the "Licenses"), but excluding the Excluded Assets as defined below;

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

WHEREAS, coincident with the execution of this Agreement, Buyer and Seller shall execute, deliver, and perform under a Local Programming and Marketing Agreement

("LMA") with respect to the Station effective on the first day of the first calendar month following the due execution of this Agreement (the "LMA Effective Date"), and thereafter applicable to periods prior to the Closing.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties, intending to be legally bound, agree as follows:

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

1.1 "Assets" means all assets referred to in SECTIONS 2.0 through 2.6 hereof to be conveyed to Buyer pursuant to this Agreement.

1.2 "Assignment Application" means the application that Seller and Buyer will file with the Commission requesting consent to the assignment of the FCC Licenses to Buyer.

1.3 "Closing" means the consummation of the transactions contemplated herein.

1.4 "Closing Date" means 10:00 a.m. on a date mutually acceptable to both parties, but not after the fifth (5<sup>th</sup>) business day following the date the Commission's consent to the grant of the Assignment Application has become a Final Order.

1.5 "Closing Place" means the offices of the Station or such other place as the Parties may mutually agree to in writing.

1.6 "Deposit Escrow Agreement" means an escrow agreement in the form of EXHIBIT A attached hereto executed by Seller, Buyer and Escrow Agent simultaneously with the execution of this Agreement.

1.7 "Escrow Agent" means Kalil & Co., Inc.

1.8 “Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation Recovery Act, the Toxic Substances Control Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Emergency Planning and Community Right-to-Know Act, the Refuse Act, the Hazardous Materials Transportation Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act (each as amended) and other similar or applicable federal and state laws, as amended, together with all regulations issued or promulgated thereunder, relating to pollution, the protection of the environment, or the health and safety of workers or the general public.

1.9 “Final Order” means action by the Commission granting its consent and approval to the Assignment Application, which action is not reversed, stayed, enjoined, or set aside, and with respect to which no request for stay, reconsideration, review, rehearing or notice of appeal is pending, and as to which the time for filing any such request, petition or notice of appeal, or for review by the FCC on its own motion, has expired.

1.10 “Hazardous Substance” means any hazardous substance, hazardous or toxic waste, hazardous material, pollutant, or contaminant, as those or similar terms are used in the Environmental Laws, and includes, without limitation, asbestos and asbestos related products, chlorofluorocarbons, oils or petroleum-derived compounds, polychlorinated biphenyls, pesticides, and radon.

2.0 Assets to be Conveyed. Subject to the terms and upon satisfaction of the conditions contained in this Agreement, on the Closing Date at the Closing Place, Seller will sell, assign, convey, transfer and deliver to Buyer, by instruments of conveyance in form and substance reasonably satisfactory to Buyer and its counsel, and Buyer shall purchase and accept from Seller all of Seller’s right, title and interest in and to the following:

2.1 Licenses. The Licenses, all of which are listed in SCHEDULE 2.1 attached hereto, including applications therefor.

2.2 Personal Tangible Assets. Except for the Excluded Assets, all of the fixed and tangible personal property, physical assets and equipment, leasehold improvements, and related assets used and useful in the operation of the Station specifically listed in SCHEDULE 2.2 together with any replacements thereof or additions thereto made between the date of this Agreement and the Closing Date, less any retirements made in the ordinary course of business in connection with the replacement of same with similar assets of equal or greater value ("Personal Tangible Assets"), free and clear of all mortgages, liens, charges, claims, pledges, security interests and other encumbrances whatsoever except liens for taxes not yet due and payable.

2.3 Contracts. Contracts, leases and agreements of the Station as follows (collectively "Assigned Agreements"): (a) those listed in and attached as part of SCHEDULE 2.3 that remain in effect as of the Closing Date, including, without limitation, all trade and barter agreements, and (b) those contracts entered into between the date of this Agreement and the Closing Date; provided that such contracts shall be (i) entered into in the ordinary course of business and (ii) shall have been consented to by Buyer in writing (such consent not to be unreasonably withheld or delayed, unless the aggregate financial commitment of such contracts, leases and agreements which would otherwise be assumed by Buyer is in excess of \$10,000, in which case such consent shall be in the sole and absolute discretion of Buyer). In any case where Buyer declines to consent, such contract shall not be included as an Assigned Agreement.

2.4           Real Property. Seller's leasehold created pursuant to that certain lease agreement listed in SCHEDULE 2.4 (the "Tower Lease") concerning a broadcast tower in the City of Jackson, County of Hinds and State of Mississippi, and which is described in SCHEDULE 2.4. A leasehold created pursuant to that certain lease agreement listed in SCHEDULE 2.4 concerning a portion of Seller's broadcast tower located at 222 Beasley Road, Jackson, MS 39206 (the "Beasley Site"),, such leasehold being employed as the auxiliary tower site for the Station (the "Auxiliary Tower Lease"). A leasehold created pursuant to that certain short-term lease agreement listed in SCHEDULE 2.4 concerning Seller's broadcast studio located at the Beasley Site, such leasehold being employed as the Station's broadcast studio for a transition period beginning on the LMA Effective Date and ending no later than December 31, 2008 (the "Temporary Studio Lease", that together with the Tower Lease and the Auxiliary Tower Lease comprise, the "Real Property").

2.5           Business Records. Such files, records and logs ("Files") as Buyer shall reasonably require pertaining to the operation of the Station, that are kept independently from Files maintained for both Seller's other Jackson market station WRXW-FM (the "Additional Jackson Station") and the Station ("Joint Files"); provided, however, that Buyer shall have the right to inspect, and shall be furnished copies upon request of such Joint Files. Notwithstanding the foregoing, the corporate books and records of Seller shall not be considered Files; provided, however, that Buyer shall have the right to inspect, and shall be furnished copies upon request of, such of the corporate books, records and tax returns of Seller as relate solely to the business and operation of the Station.

2.6 Goodwill. All of Seller's right, title and interest in and to all intangible assets, goodwill and going concern value of the Station, other than as specifically excluded pursuant to this Agreement.

3.0 Excluded Assets. The Assets being sold to Buyer hereunder do not include (i) any cash, cash equivalents, investments or accounts receivable of Seller (those relating to the operation of the Station being, the "Receivables"), (ii) any and all contracts of insurance, insurance proceeds, and/or insurance claims made by Seller relating to personal property or equipment fully repaired, replaced or restored by Seller prior to the Closing Date, and (iii) such other personal and real property specifically set forth in SCHEDULE 3.0, including, without limitation, those assets principally used in the operation of the Additional Jackson Station (individually or together the "Excluded Assets").

4.0 Excluded Liabilities and Contracts. Seller shall be solely responsible for, and there shall be no assumption by Buyer of, any liabilities of Seller or of the Station except as explicitly set forth in this Agreement pursuant to SECTION 2.3 or 2.4 and disclosed in SCHEDULE 2.3 or 2.4, respectively. It is expressly agreed that Buyer shall not assume any liability for accounts payable of Seller for goods and services delivered prior to the Closing Date, except those (i) listed and described in SCHEDULE 2.3 and prorated between Buyer and Seller pursuant to SECTION 19 hereof; or (ii) as expressly provided in the LMA.

5.0 Purchase Price, Method of Payment and Allocation.

5.1 Purchase Price. The purchase price to be paid by Buyer to Seller for the Assets to be conveyed hereunder shall be Three Million Eight Hundred Thousand Dollars (\$3,800,000.00) (the "Consideration"). Simultaneously with the execution of this Agreement, Buyer shall deposit the sum of Three Hundred Eighty Thousand Dollars

(\$380,000.00) (the "Escrow Deposit") in the form of cash or certified funds with the Escrow Agent, which sum shall be held and disbursed in accordance with the provisions of the Deposit Escrow Agreement. Upon Closing, the Escrow Deposit shall be delivered to Seller and shall be credited against the Consideration, as further described below. Also, upon Closing, interest accrued on the Escrow Deposit shall either be delivered to Buyer or credited against the Consideration (and delivered to Seller), at the sole discretion of Buyer.

5.2 Method of Payment. At Closing on the Closing Date, Buyer shall pay the Consideration to Seller by (i) delivering to Seller the sum of Three Million Four Hundred and Twenty Thousand Dollars (\$3,420,000), less adjustments permitted under the terms of the Agreement, by wire transfer of immediately available funds; and (ii) causing Escrow Agent to deliver the Escrow Deposit (less accumulated interest) to Seller by wire transfer of immediately available funds.

5.3 Allocation. The Purchase Price will be allocated among the Assets as mutually and reasonably agreed upon by the Parties, no more than sixty (60) days following the Closing Date. In this regard, Buyer shall initially propose the allocation of the Purchase Price, and Seller shall not unreasonably disagree with such proposal.

6.0 Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

6.1 Organization and Standing. Each of the Operating Company and the Licensee Company is now and on the Closing Date shall be a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and is now and on the Closing Date shall be qualified to do business in the State of Mississippi. Seller has full power and authority to own, lease and operate the Assets and to carry on the

business of the Station as now being conducted and as proposed to be conducted by it between the date hereof and the Closing Date.

6.2 Authorization. Seller has full power and authority to enter into and perform its obligations under this Agreement and the transactions contemplated hereby. All necessary action to duly approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby has been, or by Closing will have been, taken by Seller. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller enforceable in accordance with its terms. Seller shall deliver at Closing certified copies of instruments memorializing the power and authority of Seller to enter into and perform this Agreement and the transactions contemplated hereunder.

6.3 Licenses. The Licensee Company holds the FCC Licenses listed on SCHEDULE 2.1, which have been unconditionally renewed for a full license term which expires June 1, 2012. The Licenses constitute all of the licenses and authorizations required for and/or used in the operation of the Station as now operated, and the Licenses are in full force and effect unimpaired by any act or omission of Seller, or its members, officers, employees or agents. There is not now pending, or to the knowledge of Seller threatened, any action by or before the Commission or any other governmental body to revoke, cancel, rescind, modify or refuse to renew in the ordinary course the Licenses. Except as disclosed on SCHEDULE 6.3, all material reports, forms, and statements required to be filed by Seller with the FCC with respect to the Station have been filed and are complete and accurate in all material respects. The Station is operating in material accordance with its FCC Licenses, and in material

compliance with the Communications Act of 1934, as amended, and the FCC's Rules and policies.

6.4 Personal Property. The Personal Tangible Assets used and useful in the operation of the Station, that will be transferred and conveyed pursuant to this Agreement, are listed and described in SCHEDULE 2.2. Seller has good and marketable title to the Personal Tangible Assets, and at the Closing will continue to have such good and marketable title, free and clear of all mortgages, liens, charges, claims, pledges, security interests and encumbrances whatsoever, except as described on SCHEDULE 2.2 and except for liens for taxes not yet due and payable.

6.5 Insurance. The Personal Tangible Assets are insured by Seller as set forth on SCHEDULE 6.5, which insurance Seller at its expense shall continue in force through and including the Closing Date. Such insurance is in form and amount consistent with such policies in the broadcast industry.

6.6 Condition and Adequacy of Assets. The Personal Tangible Assets are in good operating condition and repair, reasonable wear and tear in ordinary usage excepted, except as disclosed on SCHEDULE 2.2. To Seller's knowledge, the fixtures and improvements on the Real Property including, but not limited to, the tower and appurtenances, are in good operating condition and repair, reasonable wear and tear from ordinary usage excepted, except as disclosed on SCHEDULE 2.2 or SCHEDULE 2.4. The Assets, taken as a whole, constitute all the material assets, properties and rights used or held for use by Seller in the operation of the Station as currently conducted except for the Excluded Assets.

6.7 Litigation. No judgment is issued and outstanding against the Station or Seller with respect to the operation of the Station or its business activities, or

which would, in any way, affect Seller's ability to convey the Assets to Buyer as contemplated hereunder or affect Seller's ability to perform its obligations hereunder. Except for matters affecting the broadcasting industry generally or as set forth on SCHEDULE 6.7, no action, suit, judgment, proceeding or investigation is pending before any court, or governmental body, department or agency of any kind (or to the knowledge of Seller threatened) to which Seller or the Station is a party that (a) might reasonably result in a material adverse change in the business, prospects or condition of the Station or the Assets, (b) has the stated purpose or the probable effect of enjoining or preventing the consummation of this Agreement or the transactions contemplated hereby or to recover material damages by reason thereof, (c) questions the validity of any action taken or to be taken pursuant to or in connection with this Agreement, (d) would have a material adverse effect upon the Licenses or Assignment Application, or (e) reasonably could be expected to result in a claim for damages greater than \$15,000 for which Buyer could be responsible. Furthermore, Seller knows of no basis for such claim, litigation, proceeding or investigation.

6.8            Contracts. SCHEDULE 2.3 is a true and complete list of all material contracts, agreements, leases and understandings of the Station to be assumed by Buyer hereunder except contracts for advertising time on the Station which are for cash at generally published rates or which are terminable on thirty (30) days notice or less without penalty or premium. The Station is not in material default under any of the Assigned Agreements, and Seller has no knowledge of the breach of any material provision of, and is not in default in any material respect under, the terms of any other contract, agreement or lease, or any plan, license, insurance policy or other instrument concerning or affecting the Assets or to which any of the Assets are subject. Seller has not granted, and has not been granted, any material waiver or

forbearance with respect to any of the Assigned Agreements, except as disclosed on SCHEDULE 2.3. No event has occurred which, but for the passage of time or the giving of notice or both, would or might constitute a material default under the Assigned Agreements by Seller, and there is no outstanding notice of material default or termination under any of the Assigned Agreements. To the best of Seller's knowledge, no other party is in material default under any of the Assigned Agreements. Except for those consents required pursuant to the terms of the Assigned Agreements, Seller has full legal power and authority to assign its rights under the Assigned Agreements to Buyer in accordance with this Agreement on terms and conditions no less favorable than those in effect on the date hereof.

6.9 Insolvency. No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, against Seller or any of its assets or properties is pending or, to the knowledge of Seller, threatened.

6.10 Financial Statements. The unaudited statements of income and balance sheets of the Operating Company for the fiscal years ending December 31, 2006 and December 31, 2007, and the unaudited statement of income and balance sheet for that portion of fiscal year 2008 ending on May 31, 2008, copies of which have previously been delivered to Buyer (collectively, the "**Financial Statements**"), were prepared based on the books and records of the Operating Company in accordance with generally accepted accounting principles (with the exception of inter-company eliminations and the inclusion of financial footnotes), and fairly present the financial position and results of operations of the Station and the financial position of Seller as of such dates, and for the periods then ended. Buyer acknowledges that the Financial

Statements reflect the consolidated operations of both the Station and the Additional Jackson Station, and that they contain no specific breakdown of financial results or position of either.

6.11           Taxes and Reports. Seller has filed all required federal, state and local tax returns and state franchise returns pertaining to the Station or the Assets, and has paid in full when due all taxes, interest, penalties, assessments and deficiencies assessed or levied against the Station or any of its respective assets or properties (except any such obligations as are being contested in good faith which are disclosed on SCHEDULE 6.11). Any additional taxes, interest, penalties, assessments and deficiencies that shall become due and payable with respect to any tax return or tax obligation of Seller arising from the operation of the Station or Seller's holding of the Tower Lease prior to 11:59 p.m. on the Closing Date shall be, and shall remain after Closing, subject to the terms of the LMA, the responsibility of Seller. All other material federal, state, county and local tax returns, reports and declarations of estimated tax or estimated tax deposit forms required to be filed in connection with the Assets or the Station's operations, real estate or payroll, have been duly and timely filed. With respect to the Station, the Assets and the Leasehold Interest, Seller, subject to the terms of the LMA, has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by them (except any such obligations as are being contested in good faith which are disclosed on SCHEDULE 6.11), and has paid all installments of estimated taxes due; and all material taxes, levies and other assessments which Seller is required by law, contract or lease to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or held by Seller for such payment.

6.12           Personnel. SCHEDULE 6.12 is a true and complete list of all employees (both full and part time) employed by Seller in the ordinary course of operation of the

Station. SCHEDULE 6.12 includes the names of each such employee, each such employee's position description and each such employee's rate of pay. Seller is in material compliance with all federal, state and local laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and is not engaged in any unfair labor practice within the meaning of Section 8(a) of the Labor Management Relations Act of 1947 or Title VII of the Civil Rights Act of 1964, as amended. There are no claims or complaints pending or to Seller's best knowledge threatened against Seller before any court or governmental agency involving allegedly unlawful employment practices. Other than agreements included in SCHEDULE 2.3 or separately disclosed to Buyer pursuant to SECTION 2.3, Seller is not a party to any plans, contracts, programs or arrangements with respect to the employees of the Station including, but not limited to, pension, severance, hospitalization and insurance plans, other employee benefit plans, programs or arrangements, collective bargaining or other employee, union, or labor agreements. Seller shall be obligated to provide timely termination notices to the Station's employees.

6.13 Absence of Restrictions. Except as set forth in SCHEDULE 6.13, the execution, delivery and consummation of this Agreement by Seller does not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, its respective organizational documents, trust instruments, bylaws, operating agreement, or any other agreements, instruments, laws or regulations to which it is subject or by which it may be found.

6.14 Real Property. Seller is the sole holder of the leasehold estates in the Real Property. The leasehold interests in the Real Property constitute the only interests in real property required in the operation of the Station; and no fee ownership interest in

real property will be conveyed upon the consummation of the transaction contemplated in this Agreement. The Seller has delivered to the Buyer a complete copy of the Tower Lease (and any and all amendments and addenda thereto) the Auxiliary Radio Tower Lease and the Temporary Studio Lease (together, the "Leases"). Neither Seller nor Seller's landlord under any of the Leases is in material default under each respective Lease and no event has occurred, or failed to occur, which with the giving of notice, the passage of time, or both, would constitute a default by Seller or any of Seller's landlords. To Seller's knowledge, there are no improvements installed or planned by any public authority, any part of the cost of which might be assessed against Seller or Buyer. To the best of Seller's knowledge, with respect to the Real Property, there are no (a) applications, ordinances, petitions, resolutions, or other matters pending before any governmental agency having jurisdiction to act on zoning changes that would prohibit or make nonconforming the use of any of the Real Property; or (b) pending or threatened condemnation proceedings, or proposed sale in lieu thereof. No zoning, building or similar law, ordinance, order or regulation is or, on the Closing Date, will be, violated in any material respect to Seller's knowledge, by the continued maintenance, operation or use of any of the improvements presently comprising a part of the Real Property. Seller has not received written notice, and has no actual knowledge, of (i) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Real Property, or (ii) any proposed or pending special assessment affecting the Real Property. Seller has not received from any governmental authority any notice of, and Seller has no actual knowledge of, pending or contemplated condemnation proceedings affecting the Real Property, or any part thereof.

6.15            Disclosure. No statement made by Seller herein or in any document delivered to Buyer pursuant to this Agreement, including the Exhibits and Schedules

hereto, and no written information provided or to be provided by Seller 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 to state any fact that is necessary to make the statements made, in the context in which made, not false or misleading in any material respect.

6.16 Compliance with Applicable Laws. The operation of the Station and all of the Personal Tangible Assets, and the Real Property, are in compliance in all material respects with all applicable laws, ordinances, regulations, rules and orders. Except as disclosed on SCHEDULE 6.16, Seller has all authorizations required to carry on and conduct its business as heretofore conducted, which authorizations are listed in Schedule 2.1, and to own, lease, use and operate the Station's properties at the places and in the manner in which the Station is conducting business.

6.17 Copyrights, Trademarks and Similar Rights. To the best of Seller's knowledge, use of the call letters "WWJK (FM)" by Seller does not infringe any copyright, trademark or other similar right of any third party, or violate or breach any license or franchise with respect to any such right or which could give rise to a liability for Seller after Closing or for Buyer under the LMA.

6.18 Absence of Certain Changes. Except as set forth in SCHEDULE 6.18 hereto, from May 31, 2008, to the date hereof there has not been (i) any material adverse change in the Assets or other properties of the Station other than those commensurate with the economy generally in the Jackson, Mississippi area, (ii) any charge or complaint against Seller filed with any local, state or federal court, agency or commission, pertaining to any alleged violation of local, state or federal laws; or (iii) any material physical

damage, destruction or loss in an amount exceeding Fifteen Thousand Dollars (\$15,000.00) in the aggregate affecting the Personal Tangible Assets.

6.19 Environmental Protection.

(a) Compliance with Law. Except as listed and described in SCHEDULE 6.19 of this Agreement, all activities of the Station and of Seller with respect to the Station, whether at or upon the Real Property, since Seller's occupancy or lease of the Real Property (and to Seller's knowledge, all activities of those parties in possession or ownership of the Real Property prior to Seller's leasehold interests in the Real Property), have been and are being conducted in material compliance with all Environmental Laws.

(b) Site Contamination. No hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601-9657, as amended by The Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (Oct. 17, 1986), nor any petroleum product as defined in Title I to the Resource Conservation and Recovery Act, 42 U.S.C. 6991-6991 (i), is present in any medium in the operation of the Station (or of Seller with respect to the Station) and/or at the Real Property in such a manner as may require remediation under any applicable law.

(c) Other Hazardous or Toxic Materials. No polychlorinated biphenyls or substances containing polychlorinated biphenyls, nor any asbestos or materials containing asbestos are present in excess of levels permitted by law in the structures or equipment utilized by the Station, nor is any substance or material present on the Real Property whose presence is prohibited, or whose storage, treatment or disposal is regulated by any law or regulation.

(d) No Notice of Lack of Compliance with Environmental Laws. Neither Seller, the Station, nor, to the best knowledge of Seller, the owners of the Real Property, have been notified in writing by any governmental authority of any violation by Seller, the Station or the owner(s) of the Real Property of any Environmental Laws.

(e) Compliance with ANSI Radiation Standards. The operation of the Station is, or will be as of the Closing Date, in compliance in all respects with ANSI Standards as set forth in OET Bulletin 65, "Evaluating Compliance with FCC Guidelines for Human Exposure to Radio Frequency Electromagnetic Fields" (August 1997) and Supplement A (Edition 97-01) thereto, to the extent required to be met under applicable rules and regulations; and no unresolved claims known to Seller have been made to the contrary.

7.0 Affirmative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement and the LMA, Seller shall, and Buyer shall (where the context so indicates):

7.1 Continued Operation of the Station. Continue to operate the Station in the usual and ordinary course of business consistent with past practices; and in material conformity with (a) the Licenses, the Communications Act of 1934, as amended, and the rules, regulations and policies of the Commission; and (b) all other applicable laws, ordinances, regulations, rules and orders.

7.2 Reasonable Access. Provide Buyer and its representatives with reasonable access, during normal business hours, to the properties, contracts, books, files, logs, records and affairs of the Station, deliver to Buyer copies of all of the Station's monthly financial information as may be prepared in the ordinary course of business, and furnish such additional information concerning the Station as Buyer may from time to time reasonably

request. If Buyer discovers any fact that is reasonably likely to constitute a breach of any representation, warranty, covenant or agreement set forth in the Agreement, Buyer will promptly notify Seller; provided, however, that no inspection or investigation made by or on behalf of Buyer or Buyer's failure to make any inspection or investigation shall affect Seller's representations, warranties, and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

7.3            Consent to Assign. Use its commercially reasonable efforts to obtain prior to the Closing the consent of any third parties necessary for the assignment to Buyer of any material contract, agreement or lease hereunder. Seller acknowledges that Buyer has no obligation to close the transaction contemplated in this Agreement in the event consent to the assignment of the Tower Lease to Seller is not obtained prior to the Closing.

7.4            Maintain Assets. Maintain all of the Personal Tangible Assets and fixtures and improvements on the Real Property in their present operating condition, repair and order, reasonable wear and tear in ordinary usage excepted, and maintain the inventories of spare parts and tubes for the technical operating equipment of the Station at the levels normally maintained for the Station.

7.5            Payment of Taxes. Pay or cause to be paid or provided for all income, property, sales, use, franchise, excise, social security, withholding, workman's compensation and unemployment insurance taxes and all other taxes of or relating to the Station, the Assets, the Real Property and Leasehold Interest, and Seller's employees, required and due to be paid to city, county, state, federal and other governmental units up to the Closing Date.

7.6            Employment Matters. No less than five (5) days before the LMA Effective Date, Buyer shall offer employment or otherwise contract with each employee of

Seller listed on SCHEDULE 6.12 that Buyer wishes to retain following the LMA Effective Date; the term of such employment to commence on the LMA Effective Date, on terms provided by Buyer and at salary or compensation levels in effect for such employees as of May 5, 2008, with each such offer being contingent on completion of the Closing and on the offeree's compliance with the standard hiring practices of Buyer. Each employee who accepts employment with Buyer shall be referred to herein as a "**Transferred Employee.**" In addition, pursuant to the LMA, two (2) of Seller's employees (the identity of whom Seller shall disclose prior to the LMA Effective Date) will remain employed by Seller from the LMA Effective Date through the Closing Date (such employees being, the "LMA Employees"). Purchaser shall hire the Transferred Employees as of 12:01 a.m. on the LMA Effective Date. Buyer shall credit all Transferred Employees with service time accrued (in their employment with Seller) for purposes of any tenure based employee benefits (including, without limitation, vacation time, sick leave, and welfare benefits). Seller shall terminate all of its employees listed on SCHEDULE 6.12, other than the LMA Employees as of 11:59 p.m. on day preceding the LMA Effective Date and shall pay or cause to be paid (pursuant to the LMA) all unpaid earned compensation due such terminated employees through their termination date. Seller shall pay any terminated employee, who does not become a Transferred Employee, for any accrued benefits (including, without limitation, any accrued vacation pay and personal time pay ("PTO")) as is Seller's customary practice with regard to terminated employees. Buyer will credit the Transferred Employees with all their existing PTO, as of the Closing Date, such that the Transferred Employees will have the identical amount of accrued and immediately useable PTO the moment they begin employment with Buyer as they had with Seller on their date of termination. The book value of the PTO attributable to the Transferred Employees will taken as a downward adjustment (or proration) to

the Purchase Price. The LMA Employees will be terminated by Seller on the Closing Date. The LMA Employees will otherwise be treated as were Seller's other employees under this SECTION 7.6, substituting the Closing Date for the LMA Effective Date.

8.0 Negative Covenants of Seller. Between the date hereof and the Closing Date, except as contemplated by this Agreement and the LMA, Seller will not, without the prior written consent of Buyer:

8.1 Agreements With Employees. With respect to employees of the Station, enter into any agreements with employees, increase the compensation or bonuses payable to or to become payable by Seller to any of the employees or effect any changes in the management, personnel policies or employee benefits, except in accordance with existing employment practices or in the ordinary course of Seller's business. Notwithstanding the foregoing, Seller may enter into retention bonus and/or severance agreements (the "Transition Agreements") to the extent that the Transition Agreements are disclosed by Seller to Buyer and the payment obligations thereunder remain the responsibility of Seller.

8.2 Collective Bargaining. Enter into any collective bargaining agreement covering employees of the Station.

8.3 Inconsistent Action. Take any action inconsistent with its obligations under this Agreement or the LMA which would result in a material breach or default under this Agreement or the LMA.

8.4 Contractual Obligations. Do, or omit to do, any act which would cause a material breach of, or a material default under, or termination of, any Assigned Agreement.

8.5 Noncompetition Covenants. During the period beginning on the Closing Date and ending on the fifth (5<sup>th</sup>) anniversary of the Closing Date (or any such lesser period of time that might be imposed by a court of competent jurisdiction to comply with applicable, maximum legal time periods for the restraint of trade), except with Purchaser's prior written consent, Seller shall not acquire any radio station whose 1.0 mV/m contour overlaps that of the Station. Notwithstanding the foregoing, this noncompetition covenant shall not apply to Seller's operation of the Additional Jackson Station.

9.0 Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

9.1 Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi, and qualified to do business therein.

9.2 Authorization. All necessary corporate action to duly approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby has been, or by the Closing will have been, taken by Buyer, and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms. Buyer shall deliver at Closing certified copies of all corporate instruments memorializing its corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereunder.

9.3 Qualifications of Buyer. Buyer is legally and financially qualified to be the assignee of the Licenses hereunder, and it is not engaged in any proceedings with the FCC which would prevent assignment of the Licenses hereunder nor is it aware of any claim which would result in such a proceeding or which would prevent the sale contemplated

herein. Buyer's acquisition of the Station will comply with the FCC's media ownership rules and will not require a waiver of any such rule. Buyer has the financial capacity to make full payment of the Purchase Price on the Closing Date.

9.4 Litigation. No judgment is issued or outstanding against Buyer, its officers or directors, nor is any litigation, action, suit, judgment, proceeding or investigation pending before any forum, court or governmental body, department or agency of any kind, or to the knowledge of Buyer, threatened, to which Buyer is a party, which has the stated purpose or probable effect of enjoining or preventing the consummation of this Agreement or the transactions contemplated hereby or to recover damages by reason thereof, which questions the validity of any action taken or to be taken pursuant to, or in connection with, this Agreement, or which would prevent Buyer from being qualified to be the assignee of the Station's Licenses, or from consummating the transactions contemplated hereunder.

9.5 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, against Buyer or any of its assets or properties, is pending or, to the knowledge of Buyer, threatened.

9.6 Absence of Restrictions. The execution, delivery and consummation of this Agreement by Buyer do not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under its Articles of Incorporation or by laws or any other agreements, instruments, laws or regulations to which it is subject or by which it may be bound.

10.0 Covenants of Buyer,

10.1 Collection of Receivables. Seller shall deliver to Buyer not later than five (5) days after the LMA Effective Date a complete and detailed statement of the Receivables as of the LMA Effective Date, indicating the name, amount and age of each account. Seller will continue its efforts to collect the Receivables for the period that the LMA remains in effect. In addition to Seller's collection efforts in respect to the Receivables, for a period of one hundred and fifty (150) days following the LMA Effective Date (the "**Collection Period**"), Buyer: (i) will use commercially reasonable efforts, in accordance with Buyer's customary business practices, to collect the Receivables, but Buyer shall not be obligated to use any efforts to collect any of the Receivables that are more extensive than the efforts that Buyer uses to collect its own accounts receivable, and, in any event, Buyer shall not be required to institute litigation to collect any of the Receivables, (ii) shall not make any referral or compromise any of the Receivables to any collection agency or attorney for collections and shall not settle or adjust the amount of any of the Receivables without the prior written authorization of Seller, and (iii) shall remit to Seller, by the fifth (5<sup>th</sup>) business day following end of each calendar month during the Collection Period, all amounts collected by Buyer with respect to the Receivables. During the Collection Period, any payment received from customers, having a Receivables balance as well as an outstanding account balance with Buyer relating to the Station, shall first be allocated between the outstanding Receivable and new trade balances by means of specific identification of the balances paid by the customer. Buyer shall use commercially reasonable, good faith efforts to specifically identify to which Receivables customer payments should be allocated. To the extent that customers do not provide adequate remittance advice, payments shall be applied to the oldest debt of the Station first so that if a customer has Receivables that both pre-date and post-date the LMA Effective Date, any non-specifically identified payments received shall be

applied to the pre- LMA Effective Date Receivables first, and remitted to Seller in accordance with the terms of this provision. Furthermore, Seller shall promptly remit to Buyer any receipts that Seller obtains that relate to accounts receivable of the Station that arise on or after the LMA Effective Date, and will deliver to Buyer not later than five (5) days after the end of each calendar month an updated complete and detailed listing of the Receivables as of each calendar month end within the Collection Period.

10.2 Cooperation Regarding Simultaneous Sale. Buyer acknowledges that Seller is executing an agreement to sell the assets of the Additional Jackson Station simultaneously with the execution of this Agreement. Buyer further acknowledges that the operation of the Station and the Additional Jackson Station are both conducted under the auspices of Seller (there being no separate entity operating each of Seller's stations), and that the assets and personnel of Seller's stations may overlap to a minor degree. Accordingly, Buyer agrees to cooperate and act in good faith with Seller and the purchaser of the assets of the Additional Jackson Station, and their respective counsel and accountants in connection with any determinations regarding allocation of overlapping assets or persons to either the Station or the Additional Jackson Station. In addition Buyer shall, in general use its commercially reasonable efforts to consummate the transaction contemplated under this Agreement and to fulfill its obligations hereunder.

11.0 Application for Commission Consent and Approval. Seller and Buyer shall use their best efforts to file the Assignment Application with the Commission as soon as practicable, but in no event later than five (5) business days after the date hereof. The Parties will take all steps as may be necessary or proper to expeditiously and diligently prosecute the Assignment Application to a favorable conclusion. Seller and Buyer shall each bear their own

expenses in connection with the preparation of the applicable sections of the Assignment Application and in connection with the prosecution thereof. The application fee paid to the Commission relative to the Assignment Application shall be evenly split and paid by each of Buyer and Seller as set forth in SECTION 23.0 of this Agreement.

12.0 Time for Commission Consent. In the event that the grant of the Assignment Application by the FCC has not become a Final Order within nine (9) months after the Assignment Application is tendered for filing, either Buyer or Seller may thereafter terminate this Agreement upon five (5) days written notice to the other Party; provided, however, that the Party seeking to terminate this Agreement is not, and has not been, in material default hereunder. In the event of termination of this Agreement pursuant to this SECTION 12.0, each Party shall be released from all liability under this Agreement, except for liability for any material breaches of this Agreement by a Party prior to such termination. In the event of a termination pursuant to this SECTION 12.0, and provided that Buyer is not in material breach of this Agreement or the LMA the Escrow Deposit and all interest earned thereon shall be delivered to Buyer. Lastly, in the event of a termination pursuant to this SECTION 12.0, Seller, in its sole discretion, may at any time during the remaining term of the LMA, terminate the LMA upon written notice to Buyer.

13.0 Risk of Loss. Subject to the terms of the LMA, the risk of loss or damage to any of the Assets of the Station or to the Real Property occupied by the Station, or any fixtures attached thereto, from fire, theft or other casualty or cause shall be upon Seller at all times up to 11:59 p.m. on the day prior to the Closing Date, and it shall be the responsibility of Seller, as set forth in this SECTION 13.0 to repair or cause to be repaired and to restore the Assets as closely as practicable to their condition prior to any such loss or damage ("Restoration"). In the event of

any loss or damage to any Asset, the cost to repair or replace which, individually or in aggregate, is \$5,000 or less, Seller shall use commercially reasonable efforts to effect Restoration of the damaged Assets, however, Seller's failure to complete Restoration in such instance shall not result in any offset against the Purchase Price nor in any right by Buyer to terminate this Agreement. In the event of any loss or damage to any Asset, the cost to repair or replace which, individually or in aggregate, is greater than \$5,000 but less than \$100,000, Seller shall use commercially reasonable efforts to effect Restoration of the damaged Assets, however, Seller's failure to complete Restoration in such instance shall result in an offset against the Purchase Price in the amount of the damage with respect to which Restoration has not been effected, but Buyer shall have no right to terminate this Agreement. In the event of any loss or damage to any Asset, the cost to repair or replace which, individually or in aggregate, is \$100,000 or more, Seller shall notify Buyer of same in writing immediately, specifying with particularity the loss or damage incurred, the cause thereof, if known or reasonably ascertainable, and the insurance coverage. The proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used for Restoration of any such property subject to the conditions stated below. If Restoration of the property is not completed on or before the Closing Date specified in SECTION 1.4, Buyer, at its sole option, may: (a) postpone the Closing until such time as Restoration of the property has been completed, and, if necessary, the Parties shall join in an application or applications requesting the Commission to extend the effective period of its consent to the Assignment Application; (b) consummate the Closing and accept the property in its then-condition, in which event Seller shall assign to Buyer all proceeds of insurance covering the property involved; or (c) terminate this Agreement and declare it of no further force and effect, if Restoration is not completed within thirty (30) days after the original Closing Date

specified in SECTION 1.4 above. If Buyer elects to terminate this Agreement it shall receive the Escrow Deposit and all interest thereon, and Buyer, at its option may terminate the LMA upon thirty (30) days written notice to Seller.

14.0 Broadcast Transmission of the Station Prior to Closing Date. Except as provided below if, prior to the Closing Date, an event occurs which either completely prevents broadcast transmission of the Station for a period of seventy-two (72) continuous hours or more (an “**Off-Air Event**”), or prevents the regular broadcast transmission of the Station in the normal and usual manner for a period of seventy-two (72) continuous hours or more (a “**Broadcast Disruption Event**”), Buyer shall be entitled, by giving written notice to Seller, to terminate this Agreement without any further obligation hereunder, if the Station’s facilities are not restored so that normal and usual transmissions are resumed by the earlier of (i) ten (10) days after an Off-Air Event or fifteen (15) after a Broadcast Disruption Event, or (ii) the Closing on the Closing Date (provided that, in such event, the Closing Date shall be postponed for a period of up to ten (10) days with respect to an Off-Air Event or fifteen (15) days with respect to a Broadcast Disruption Event to permit normal and usual transmissions to be restored; provided, however, that Buyer shall not be entitled to exercise termination rights pursuant to this SECTION 14 if the interruption is due to Buyer’s negligence or willful actions or inactions, or that of its agents or employees, while performing its obligations under the LMA).

15.0 Conditions Precedent to Buyer’s Obligations. The obligation of Buyer to consummate the transactions contemplated hereby is subject to the fulfillment, prior to and at the Closing Date, of each of the following conditions, each of which may be waived, but only by an express written waiver, at the sole discretion of Buyer:

15.1 Commission Approval. The Commission shall have given its written consent to the Assignment Application, without attaching any conditions thereto that are materially adverse to Buyer, and such consent shall have become a Final Order.

15.2 Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date hereof, and as of the Closing Date, except for any changes permitted by the terms hereof or consented to in writing by Buyer and except for any such representations and warranties as specifically relate to an earlier date.

15.3 Performance. Seller shall have, in all material respects, performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

15.4 Consents. All necessary consents to the assignment to Buyer of those Assigned Agreements designated on SCHEDULE 2.3 as "Material Contracts" shall have been obtained and delivered to Buyer.

15.5 Estoppel Certificates. Seller shall have caused the delivery to Buyer of, and Buyer shall have received, a certificate executed by the other party to the Leases, reasonably satisfactory in form and substance to Buyer and its counsel, evidencing that: (a) the Leases are in full force and effect and has not been amended or modified; (b) the date to which all rent and other payments due thereunder have been paid; (c) Seller is not in default under the Leases and no event has occurred that, with notice or the passage of time or both, would constitute a default thereunder by Seller; and (d) any lessor's consents, fee owner's consents, and mortgagee's estoppel and non-disturbance agreements as reasonably requested by Buyer for itself or its lender(s) have been obtained.

16.0 Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated hereby is subject to the fulfillment, prior to and at the Closing Date, of each of the following conditions, each of which may be waived (but only by an express written waiver) at the sole discretion of Seller:

16.1 Commission Approval. The Commission shall have given its written consent to the Assignment Application without attaching any conditions materially adverse to Seller, and such consent shall have become a Final Order.

16.2 Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date hereof, and as of the Closing Date, except for any changes permitted by the terms hereof or consented to in writing by Seller and except for any such representations and warranties as specifically relate to an earlier date.

16.3 Performance. Buyer shall in all material respects have performed and complied with all covenants, agreements and conditions required by this Agreement and the LMA to be performed or complied with by it prior to and at the Closing Date.

17.0 Seller's Performance at Closing. On the Closing Date at the Closing Place, Seller shall execute and deliver, or cause to be executed and delivered, to Buyer the following documents in form and substance reasonably satisfactory to Buyer and its counsel:

17.1 Bills of Sale. One or more bills of sale conveying to Buyer unencumbered title to all of the Personal Tangible Assets to be acquired by Buyer hereunder.

17.2 Licenses. An Assignment assigning to Buyer the Licenses and any pending applications therefor.

17.3 Contracts. An Assignment assigning to Buyer the contracts, leases and agreements to be assigned to Buyer hereunder, together with necessary consents thereto that have been obtained and copies of said contracts and agreements.

17.4 Assignment of Leases. An assignment of the Leases executed by the landlord under the Leases and by Seller, in form satisfactory to Buyer in its reasonable discretion.

17.5 Resolutions. A certified copy of resolutions of Seller authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby and any other documents described in SECTION 6.2 concerning Seller's power and authority to enter into and perform this Agreement and the transactions contemplated hereunder.

17.6 Certificate. A certificate executed by an officer of Seller affirming all obligations of Seller hereunder to be performed prior to or at the closing have been performed, and that the representations and warranties of Seller are true and correct as of the date of the Agreement and as of the Closing Date.

17.7 Other Instruments. Such other assignments, bills of sale, instruments of conveyance, and certificates of officers as reasonably may be requested by Buyer to consummate this Agreement and the transactions contemplated hereby.

18.0 Buyer's Performance at Closing. On the Closing Date at the Closing Place Buyer shall:

18.1 Payment. The Consideration in accordance with SECTION 5.2 hereof, subject to set-offs or deductions as provided for herein.

18.2 Corporate Resolution. A resolution of Buyer's Board of Directors, certified by Buyer's Secretary, authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby and any other documents described in SECTION 9.2 concerning Buyer's power and authority to enter into and perform this Agreement and the transactions contemplated hereunder.

18.3 Certificate. A certificate executed by an officer of Buyer affirming all obligations of Seller hereunder to be performed prior to or at the closing have been performed, and that the representations and warranties of Seller are true and correct as of the date of the Agreement and as of the Closing Date.

18.4 Other Instruments. Such other instruments, documents, opinions of counsel and certificates of officers as reasonably may be requested by Seller to consummate this Agreement and the transactions contemplated hereby.

19.0 Prorations; Sales and Transfer Tax. Expenses and taxes of the Station shall be allocated between the Parties as follows:

19.1 Prorations. Subject to the LMA, operation of the Station, and the income, expenses and liabilities attributable thereto, through 11:59 p.m. on the day prior to the Closing Date shall be for the account of Seller, and thereafter for the account of Buyer. Subject to the terms of the LMA, expenses including, but not limited to, such items as power and utilities charges, ad valorem property taxes upon the basis of the most recent assessment available, frequency discounts, spectrum fees, music license fees, format license fees, PTO (as herein noted), payroll taxes, rents and similar prepaid and deferred items, shall be prorated between Seller and Buyer as of 11:59 p.m. on the day prior to the Closing Date, the proration to be made and paid, insofar as feasible, on the Closing Date, with a final settlement sixty (60) days

after the Closing Date. All special assessments and similar such charges or liens imposed against the Real Property for periods prior to and on the Closing Date, whether payable in installments or otherwise, shall be the responsibility of Seller, and amounts payable with respect to such special assessments, charges or liens thereafter shall be paid by Buyer.

19.2 Sales and/or Transfer Tax. Any sales tax imposed on either or both Parties as a result of the payment of the Consideration and/or the conveyance of the Assets or the Leases shall be shared and paid equally by the Parties.

20.0 Indemnification.

20.1 Indemnification by Seller. Except as otherwise provided in the LMA, it is understood and agreed that Buyer does not assume and shall not be obligated to pay, any liability of Seller, and shall not be obligated to perform any obligations of Seller of any kind or manner, except by reason of contracts or other obligations expressly assumed by the Buyer hereunder and with respect to such contracts only such obligations which arise subsequent to 11:59 p.m. on the day prior to the Closing Date, or as herein provided. Accordingly, Seller, in connection with its representations and warranties made herein, hereby agrees to indemnify, defend and hold harmless Buyer, and its permitted assigns, to the extent Buyer is not otherwise responsible under the terms of the LMA, from and against:

(a) Any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, of every kind and description (the foregoing hereinafter collectively referred to as "Damages") resulting from the operation of the Station prior to 11:59 p.m. on the day prior to the Closing Date including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed

prior to 11:59 p.m. on the day prior to the Closing Date under any contract, agreement or lease assumed by Buyer hereunder.

(b) Any and all Damages occasioned by, arising out of or resulting from any misrepresentation, breach of warranty or covenant, or default or nonfulfillment of any agreement on the part of Seller under this Agreement, or under any certificate, agreement, appendix, SCHEDULE or other instrument furnished to Buyer pursuant to this Agreement.

20.2 Indemnification by Buyer. Except as otherwise provided in the LMA, Buyer, in connection with its representations and warranties made herein, agrees to indemnify, defend and hold harmless Seller, its successors and assigns, from and against:

(a) Any and all Damages resulting from the operation of the Station subsequent to 11:59 p.m. on the day prior to the Closing Date including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed subsequent to 11:59 p.m. on the day prior to the Closing Date under any contract, agreement, lease or obligation assumed by Buyer hereunder.

(b) Any and all Damages resulting from any misrepresentation, breach of warranty or covenant, or default or nonfulfillment of any agreement on the part of Buyer under this Agreement, or under any certificate, agreement, appendix, SCHEDULE or other instrument furnished to Seller pursuant to this Agreement.

20.3 Indemnification Procedure. In the event claims are made that are subject to indemnification hereunder, the party seeking indemnification (“Indemnified Party”) shall notify the other party (“Indemnifying Party”) in writing as soon as practicable but in no event later than fifteen (15) days after receipt of such claims. The Indemnified Party’s

failure to so notify shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such claim. The Indemnifying Party shall promptly defend such claim by counsel of its own choosing and the Indemnified Party shall cooperate with the Indemnifying Party in the defense of such claim, including (except as specified below) settlement of the matter on a basis reasonably stipulated by the Indemnifying Party (with the Indemnifying Party being responsible for all costs and expenses of such settlement). If the Indemnifying Party, within a reasonable time after notice of a claim, fails to defend the Indemnified Party, the Indemnified Party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party. Upon the assumption of the defense of such claim, the Indemnifying Party may settle, compromise or defend as it sees fit; provided, however, that anything in this SECTION 20.3 to the contrary notwithstanding:

(a) If there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party shall have the right, at its cost and expense, to defend, compromise or settle such claim against it.

(b) If the facts giving rise to indemnification hereunder shall involve a possible claim by the Indemnified Party against a third party, the Indemnified Party shall have the right, at its own cost and expense, to undertake the prosecution, compromise and settlement of such claim.

(c) The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any claim, or consent to entry of any judgment, which does not include, as an unconditional term thereof, the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect to such claim.

20.4 Basket. Neither Party shall bring a claim against the other unless the claim exceeds Five Thousand Dollars (\$5,000) individually or in the aggregate.

21.0 Default and Remedies.

21.1 Material Breaches. A Party shall be deemed to be in default under this Agreement only if such Party has materially breached or failed to perform its obligations hereunder.

21.2 Opportunity to Cure. If Seller or Buyer believes the other Party to be in default under this Agreement, the Party believing a material default has occurred shall provide the other with written notice specifying in reasonable detail the nature of such default. If the material default has not been cured by the earlier of: (a) the Closing Date, or (b) within twenty (20) days after delivery of that notice, then the Party giving such notice may terminate this Agreement and/or exercise the remedies available to such Party pursuant to this Agreement.

21.3 Seller's Remedies. Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach of this Agreement, Seller would be entitled to compensation, the extent of which is difficult and impractical to ascertain. To avoid this problem, the Parties agree that if this Agreement is not consummated due to the default of Buyer, Seller shall be entitled to receive the Escrow Deposit (plus accumulated interest) as liquidated damages in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement. Further, upon Buyer's breach of this Agreement, Seller, in its sole discretion, may at any time during the remaining term of the LMA, terminate the LMA upon written notice to Buyer.

21.4 Buyer's Remedies. Seller agrees that the assets to be conveyed hereunder include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have all rights and remedies available to it at law and at equity, including the right to require specific performance of Seller's obligations under this Agreement, and, in addition, sue for damages. In the event Buyer elects to sue for specific performance, Seller agrees to waive the defense in any such suit 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. In the event Buyer elects to terminate this Agreement as a result of Seller's breach instead of seeking specific performance, Buyer shall be entitled to return of the Escrow Deposit and all earnings thereon, and such other compensation or damages as Buyer may be awarded in an action at law, and Buyer, in its sole discretion may at any time during the remaining term of the LMA, terminate the LMA upon thirty (30) days written notice to Seller.

22.0 Jurisdiction, Venue. Each Party waives any objection and agrees to submit itself to the jurisdiction of and venue in either the Federal or State courts sitting in New Castle County, Delaware in connection with any litigation arising out of this Agreement.

23.0 Expenses. All transfer, taxes, and recording fees assessed or levied in connection with sale of the Assets to Buyer hereunder and any other costs of transferring the Assets to Buyer shall be paid by Seller except that any FCC filing fee, if required, shall be split between Buyer and Seller. Except as otherwise expressly provided by this Agreement, all other expenses incurred in connection with this transaction shall be borne by the Party incurring same. In the event of litigation, the prevailing party shall be entitled to recovery of its reasonable attorneys' fees and its costs.

24.0 Survival of Covenants, Representations and Warranties. All representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing Date for a period of twelve (12) months notwithstanding any investigation made by or on behalf of the Parties hereto, other than representations and warranties as to taxes (SECTION 6.11) which shall continue until expiration of the statutory limitations period, and as to title to Assets and Authorization (SECTIONS 6.2, 6.4 and 6.14) which shall survive indefinitely. Any claims based on representations, warranties, covenants and agreements that survive the Closing Date must be asserted within twelve (12) months following the Closing Date or such claim shall be deemed waived.

25.0 Finders, Consultants and Brokers. The Parties hereby represent and warrant to each other that no person is entitled to any commission or fee as a broker or finder in connection with this transaction other than Kalil & Co. which is acting as broker representing Seller. All fees and expenses of Kalil & Co. shall be the sole responsibility of Seller. Each Party shall be responsible for payment of any fee due to each such Party's broker without financial contribution from the other Party. The Parties hereby indemnify and hold each other harmless against any claim from any broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by the indemnifying Party.

26.0 Notices. All notices, demands or other communications required or permitted by this Agreement shall be in writing and shall be: (a) delivered personally, or (b) sent, charges prepaid, by nationally recognized overnight delivery service to all of the following persons at the specified addresses (or at such other address as any Party may designate in writing to the other Parties):

If to Buyer:

Clay E. Holladay  
President  
New South Radio, Inc.  
3436 Old Hwy – 45 North  
Meridian, MS 39355

cc: (Which shall not constitute notice)

William C. Hammack  
Bourdeaux & Jones, LLP  
P. O. Box 2009  
Meridian, MS 39302-2009

and

If to Seller:

Barry Drake  
Chief Executive Officer  
Backyard Broadcasting Mississippi, LLC  
c/o Backyard Broadcasting  
4237 Salisbury Road, Suite 225  
Jacksonville, Florida 32216

cc: (Which shall not constitute notice):

Bruce H. Jurist, Esquire  
Duane Morris LLP  
111 S. Calvert Street, Suite 2000  
Baltimore, MD 21202

27.0 Benefit and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective permitted successors and assigns. This Agreement shall not be assigned without the prior written consent of the other Party hereto.

28.0 Other Documents. The Parties shall execute without additional consideration such other documents as may be necessary for the better implementation and consummation of this Agreement.

29.0 Schedules and Exhibits. All Schedules and Exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein.

30.0 Construction. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Delaware without regard to the choice of law rules utilized in that jurisdiction.

31.0 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument. A facsimile or electronic copy of a signature shall be considered the same as an original signature.

32.0 Headings. The headings of the SECTIONS of this Agreement are inserted as a matter of convenience for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any SECTION hereof.

33.0 Entire Agreement. This Agreement, the appendices, SCHEDULES and EXHIBITS hereto and all agreements to be delivered by the Parties pursuant hereto, represent the entire understanding and agreement between the Parties hereto with respect to the subject matter hereof, supersede all prior negotiations between such Parties, and can be amended, supplemented or changed only by an agreement in writing which makes specific reference to this Agreement or the agreement delivered pursuant hereto, as the case may be, and which is signed

by the Party against whom enforcement of any such amendment, supplement or modification is sought.

34.0 Time of Essence. Time is of the essence in the performance of each and every provision of this Agreement and in any action brought to enforce the performance hereof.

35.0 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (i) confer any rights or remedies on any person other than Seller or Buyer, and their respective successors and assignees; (ii) to relieve or discharge the obligation or liability of any third party; or (iii) to give any third party any right of subrogation or action against Seller or Buyer.

36.0 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 to the effect that any provision of this Agreement shall be interpreted or construed against the Party whose counsel drafted that provision.

37.0 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, unless the remaining portion is not reasonably adequate to accomplish the basic purposes and intent of the Parties.

38.0 Public Statements. Prior to the Closing Date, neither Seller nor Buyer shall without the prior approval of the other Party issue any press release or other public

announcement concerning the transactions contemplated by this Agreement except (i) Seller and Buyer may issue a mutually agreeable public announcement or press release at a point subsequent to the signing of this Agreement; and (ii) to the extent that either Party shall be so obligated by law, in which case the other Party shall be advised and the Parties shall use their best efforts to cause a mutually-agreeable release or announcement to be issued. Nothing in this SECTION 38 shall be construed as qualifying a Party's obligations to make such filings as may be required by a governmental agency.

39.0 Recitals. The introductory paragraphs to this Agreement are an integral part hereof and not mere recitals.

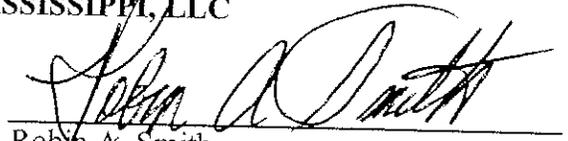
[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

SELLER:

**BACKYARD BROADCASTING  
MISSISSIPPI, LLC**

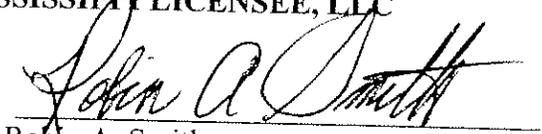
By



Robyn A. Smith,  
its Vice President & CFO

**BACKYARD BROADCASTING  
MISSISSIPPI LICENSEE, LLC**

By



Robyn A. Smith,  
its Vice President & CFO

BUYER:

**NEW SOUTH RADIO, INC.**

By

\_\_\_\_\_  
Clay E. Holladay  
its President

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SELLER:

**BACKYARD BROADCASTING  
MISSISSIPPI, LLC**

By \_\_\_\_\_  
Robin A. Smith,  
its Vice President & CFO

**BACKYARD BROADCASTING  
MISSISSIPPI LICENSEE, LLC**

By \_\_\_\_\_  
Robin A. Smith,  
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BUYER:

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