

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as June 21, 2013, between Charles H. Cooper, an individual ("Seller") and TeleSouth Communications, Inc., a Mississippi Corporation ("Buyer").

WHEREAS, Seller holds the licenses, construction permits and other authorizations issued by the Federal Communications Commission ("FCC") for Station WOSM(FM), Ocean Springs, Mississippi, (Facility ID Number 10477) (the "Station"); and

WHEREAS, the parties desire that Seller assign to Buyer the Station's FCC licenses, construction permits and other authorizations and sell certain assets used and useful in connection with the Station;

WHEREAS, the parties desire that Seller lease the Station's tower site and certain real estate used in operation of the Station to Buyer; and

WHEREAS, the parties agree that Seller will provide Buyer an Option and Right of First Refusal to buy certain real property and improvements used in operation of the Station and other real property as specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1.1 Station Assets. Seller agrees assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, all of the right, title, and interest of Seller in and to certain assets, properties, interests and rights of Seller, tangible and intangible, which are used in the operation of the Station (the "Station Assets"), including the following:

- (a) all FCC licenses, construction permits and other authorizations as well as any local or state governmental licenses and authorizations with respect to the Station held by Seller (collectively the "Licenses") as set forth in Schedule 1.1(a);
- (b) the transmitter, antenna, studio equipment and other tangible personal property of the Seller used in the operation of the Station (the "Tangible Personal Property"), including without limitation those listed in Schedule 1.1(b);
- (c) the right, title, and interest of Seller in and to logos, jingles, marketing plans, copyrights, trademarks, trade names, websites, domain names, call sign and other intangible property of Seller, including without limitation those set forth in Schedule 1.1(c) attached (the "Intangible Property");
- (d) the contracts and agreements as to the sale of advertising to be assumed by Buyer for time periods after Closing and other agreements, if any, listed in Schedule 1.1(d) (the "Assumed Obligations"); and

(e) the engineering, advertising reports, programming studies, consulting reports, computing software, marketing data, business and financial records relating solely to the business or operation of the Station or relating to assets or agreements purchased, leased, or assumed by Buyer (the "Business Records") as listed in Schedule 1.1(e).

(f) Excluded Assets. The Station Assets shall not include certain assets, (the "Excluded Assets") described as follows: (i) Seller's personal assets not connected in any way with the ownership or operation of the Station or the Station Assets, (ii) all cash, (iii) cash equivalents or similar investments, and (iv) Seller's accounts receivable, and (v) any contracts and agreements of Seller not specifically assumed by Buyer; (vi) any pension, profit sharing or cash or retirement plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller; and any other assets set forth in Schedule 1.1(f).

1.2 Lease of Real Property. At Closing the Seller agrees to enter into a lease with Buyer substantially in the form of the lease in Schedule 1.2 with respect to certain real property and any interests therein, including, without limitation, land, easements, air rights, rights of way, studio buildings, tower, fixtures and improvements owned by Seller and used or useful in connection with the operation of the Station, which are listed and described on Schedule 1.2 (the "Leased Real Property").

1.3 Option and Right of First Refusal. The parties agree to the Option and Right of First Refusal provisions set forth in Schedule 1.3 effective on the Closing Date.

1.4 Non-Compete. The parties agree to the Non-Compete provisions set forth in Schedule 1.4 effective on the Closing Date.

2. Purchase Price and Deposit. (a) Purchase Price: The purchase price to be paid for the Station Assets is One Million Five Hundred Thousand Dollars (\$ 1,500,000.00), as adjusted pursuant to Section 5 hereof (the "Purchase Price"); (b) Deposit: Upon execution and delivery of this Agreement, Buyer shall deposit with _____ bank as Escrow Agent, a deposit in the amount of Twenty-Five Thousand Dollars (\$ 25,000.00) (the "Deposit"); and (c) At the Closing, the amount of the Deposit shall be applied by Seller as a credit against the Purchase Price, leaving the balance of One Million Four Hundred Seventy-Five Thousand Dollars (\$ 1,475,000.00) of the Purchase Price to be paid to Seller by wire transfer or check at Closing, subject to any adjustment pursuant to Section 5. The parties and the bank shall agree on the terms of an Escrow Agreement which shall be attached to this Agreement.

3. Station Assets to be Sold Free of Security Interests. The Station Assets shall be sold and conveyed to Buyer free and clear of all liabilities (absolute or contingent), obligations, liens (including tax, mechanics' and materialmen's liens), pledges, conditional sales agreements, charges, mortgages, security interests, encumbrances, and restrictions of any type or amount created or suffered by Seller prior to the Closing Date, whether existing now or in the future

(collectively the “Security Interests”) except for liabilities being assumed under the Assumed Obligations listed in Schedule 1.1(d). Prior to or at Closing, Seller shall cause any Security Interests to be released in full, and shall deliver to Buyer proof of release (“Security Interests Release Instruments”), except for: easements and rights of way affecting the Leased Real Property disclosed to Buyer by Seller which do not detract materially from Buyer’s operation (and other uses reasonably associated therewith) of the Station and Assets on the Leased Real Property, and (iii) applicable zoning, building, fire and health laws ordinances, rules and regulations, and other land use laws regulating the use or occupancy of the Leased Real Property. Seller has not received any notice alleging that, and has no knowledge that, any of the Leased Real Property fails to comply with applicable zoning laws or the building, health, fire, health laws and ordinances, rules and regulations and other land use laws of applicable governmental jurisdictions regulating the use or occupancy of the Leased Real Property.

4. Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller arising thereafter under the those agreements set forth in Schedule 1(d) for dates after Closing Date.

5. Prorations and Adjustments. All prepaid and deferred expenses arising from the conduct of the business and operations of the Station shall be prorated as of 11:59 p.m. of the Closing Date. The prorations and adjustments contemplated by this Section 5 shall include electric power, telephone, other utilities and similar expenses incurred in operation of the Station and be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

6. Closing. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Station Assets under this Agreement (the “Closing”) shall occur on a date (the “Closing Date”) mutually agreed upon by the parties which date shall be within ten (10) business days after the grant of FCC Consent (as defined below) having become a Final Order (as defined below), unless the requirement of a Final Order is waived by Buyer, in which case the Closing shall occur after the grant of FCC Consent within ten (10) business days after written notice by Buyer to Seller of Buyer’s waiver of the Final Order requirement.

7. FCC Consent. The Closing is conditioned upon prior FCC consent (the “FCC Consent”) to the assignment of the FCC Licenses to Buyer, and, unless waived by Buyer, the FCC Consent having become a Final Order. “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

8. FCC Application. Within ten (10) business days of the date of execution of Agreement, Seller and Buyer shall file an application with the FCC (the “FCC Application”)

seeking the FCC Consent. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as practicable.

9. Buyer's Representations and Warranties. Buyer makes the following representations and warranties to Seller:

- (a) Buyer is duly organized corporation, validly existing and in good standing under the laws of the State of Mississippi. Buyer has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.
- (b) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC.
- (c) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to Buyer's knowledge, threatened against Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

10. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer:

- (a) Seller is an individual residing in Mississippi. Seller has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.
- (b) The Licenses have been issued for the full term customarily issued to radio stations in the State of Mississippi, are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated. Except as disclosed in writing to Buyer, there are no applications, complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Station other than those affecting the broadcasting industry generally.
- (d) The Station's operations are in material compliance with the FCC's rules, regulations, and policies, the provisions of the Communications Act of 1934, as amended, and the Station's Licenses. The Tangible Personal Property is in operating condition and has been reasonably maintained. The tower structure is in all material respects in compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") and the FCC's antenna registration regulations.
- (e) Seller has good and valid title to all Tangible Personal Property, which on Closing Date will be free and clear of all Security Interests except for those to be released at Closing.
- (f) There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Seller's knowledge, threatened

against Seller or the Station, or affecting the Station, implementation of this Agreement or the transactions contemplated hereby. Seller has and is operating Station and maintaining the Leased Real Property in material compliance with all laws, regulations and governmental orders, including without limitation those relating to pollution and the discharge of materials into the environment (collectively, the “**Environmental Laws**”).

11. Joint Covenants. Seller and Buyer hereby covenant and agree that between the date hereof and the Closing they shall cooperate fully with each other in taking any commercially reasonable actions (including to obtain the required consent of any governmental instrumentality or any third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein.

12. Seller’s Conditions to Closing. The obligations of Seller hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

- (a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement;
- (b) The FCC Consent shall have been obtained and shall be in full force and effect, and no court, administrative or governmental order prohibiting the Closing shall be in effect; and
- (c) Buyer shall have made each of the deliveries contemplated by Section 14 hereof or otherwise reasonably required by this Agreement.

13. Buyer’s Conditions to Closing. The obligations of Buyer hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

- (a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement;
- (b) The FCC Consent shall have been obtained, shall be in full force and effect and shall have become a Final Order, and no court or governmental order prohibiting the Closing shall be in effect;
- (c) All Security Interests pertaining to the Station Assets shall have been released of record and there shall be no Security Interests, except those to be released at Closing;
- (d) Seller shall have made each of the deliveries contemplated by Section 14 hereof or otherwise reasonably required by this Agreement; and
- (e) The Licenses shall be in full force and effect and in good standing with the FCC.

13. Closing Deliveries.

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

(a) Bills of Sale, Assignments, Etc. Bills of sale, certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Assets and to quiet Buyer's title thereto.

(b) Real Property Lease. An executed Real Property Lease substantially in the form set forth in Schedule 1.2.

(c) Consents. Any material consents necessary under the terms of the Agreement or otherwise to consummate the Agreement at Closing in form and substance satisfactory to Buyer.

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

(a) Real Property Lease. An executed Real Property Lease reflecting the terms and conditions set forth in Schedule 1.2.

(b) Balance of Purchase Price. Buyer shall also pay the balance of the Purchase Price under Section 2 (c), as adjusted pursuant to Section 5 hereof.

14. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire twelve (12) months after the Closing Date with the exception of: (i) the indemnification obligations of Seller and Buyer under Section 15 hereof with respect to Claims (as defined below) made by third parties against Buyer or Seller, as applicable, shall survive for twenty-four (24) months after Closing Date; (ii) those Claims made under Section 15 that relate to Buyer's Damages or Seller's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

15. Indemnification.

From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by Buyer arising out of or resulting from: (a) any breach or default by Seller under this Agreement; and (b) the operation of the Station before the Closing. From and after the Closing, Buyer shall defend, indemnify and hold

harmless Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by Seller arising out of or resulting from: (x) any breach or default by Buyer under this Agreement; and (y) the operation of the Station after the Closing. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder on the part of the indemnifying party (a "Claim").

16. Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);
- (c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period;
- (d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is eighteen (18) months after the execution of this Agreement, and if the party giving notice is not then in default hereunder;
- (e) by written notice of Buyer to Seller, if due to a weather related cause, force majeure, or other cause beyond the control of Seller, a material portion of the Station Assets, the Tower, studio building or other assets included in the Lease Real Property, are damaged or destroyed and Seller elects not to repair or replace such damaged or destroyed Station Assets prior to Closing Date; or

The term "Cure Period" as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for thirty (30) days thereafter.

17. Damages upon Termination. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Upon termination under Section 16 (a), (d), or (e), this Agreement shall be deemed null and void and the Deposit shall be paid to Buyer and neither party will have any further liability or obligation to the other. Upon termination under Section 16(b), due to default of the Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to retain the Deposit as liquidated damages as its exclusive remedy. If this Agreement is terminated pursuant to Section 16(c) due to the default of Seller, the Buyer will be entitled to the return of the Deposit

and may bring an action for damages, or as an alternative, bring an action for specific performance, Seller hereby acknowledging that the Station Assets are of a special, unique and extraordinary character, and that payment of damages to Buyer as provided for above in this paragraph would not be sufficient to compensate Buyer under such circumstances.

18. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the performance of and compliance with the terms of this Agreement, except that filing fees with respect to the FCC Application shall be divided equally between the parties.

19. Assignment. This Agreement shall be binding on the heirs and assigns of each party. However, neither party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning party which consent shall not be unreasonably withheld, with the exception of assignment to an entity controlled by or under common control of such party, in which case no consent is required.

20. Amendments. No amendment to, or waiver of compliance with, any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by a document signed by the parties.

21. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Mississippi applicable to contracts made and to be fully performed within such State.

22. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery (or to such other address as any party may request by written notice):

If to Seller:

Charles H. Cooper
WOSM(FM)
4720 Radio Road
Ocean Springs, MS 39564

If to Buyer:

Stephen C. Davenport
TeleSouth Communications, Inc.
6311 Ridgewood Road
Jackson, MS 39211-2035

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

24. Severability. If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby, unless such construction would alter the fundamental purposes of this Agreement.

26. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

27. Further Assurances. After the Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER: **CHARLES H. COOPER**

By: 
Charles H. Cooper

BUYER: **TELESOUTH COMMUNICATIONS, INC.**

By: _____
Stephen C. Davenport, Chairman

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER: **CHARLES H. COOPER**

By: _____
Charles H. Cooper

BUYER: **TELESOUTH COMMUNICATIONS, INC.**

By:  _____
Stephen C. Davenport, Chairman

Table of Schedules

| | |
|-----------------|-----------------------------------|
| Schedule 1.1(a) | Licenses |
| Schedule 1.1(b) | Tangible Personal Property |
| Schedule 1.1(c) | Intangible Property |
| Schedule 1.1(d) | Assumed Obligations |
| Schedule 1.1(e) | Business Records |
| Schedule 1.1(f) | Excluded Assets |
| Schedule 1.2 | Leased Real Property Lease |
| Schedule 1.3 | Option and Right of First Refusal |
| Schedule 1.4 | Non-Competition Terms |

Schedule 1.1(a)

Licenses

To be agreed upon by the parties prior to closing date.

Schedule 1.4

Non-Competition Agreement Terms

Seller and Buyer have entered into the Agreement pursuant to which Buyer will acquire substantially all the assets owned by the Seller and used or useful in the operation of the Station based in part on the understanding that the Seller would not compete in the radio business, or have an interest in or other connection with entities which do so as set forth below in certain restricted areas after Closing Date under this Agreement for a restrictive period of three (3) years. More specifically:

The parties acknowledge that the radio business is highly competitive and that if the Seller were to compete in the radio business after the consummation of Buyer's acquisition of the assets acquired pursuant to the Agreement, then Buyer would suffer irreparable harm.

Seller is entering into this Agreement and is willing to abide by the restrictive covenants contained herein to induce Buyer to consummate the Agreement.

Seller agrees that for a period of three (3) years from the date of this Agreement ("Restrictive Period"), he will not engage or participate, directly or indirectly, either as principal, agent, employee, employer, consultant, stockholder, member, director, officer, partner, lender, investor, guarantor or in any other individual or representative capacity whatsoever, in the conduct or management of, or own any stock or other proprietary interest in, any business or enterprise which operates a radio broadcast station licensed to a community within the Restricted Areas (as hereinafter defined) or within the Restricted Areas (collectively the foregoing constitute the "Radio Business"), unless such Seller shall have obtained the prior written consent thereto of Buyer, which may be granted or withheld in Buyer's sole discretion. The ownership of five percent (5%) or less of the common stock of a company traded on a national securities market which is engaged in the Radio Business shall not be a violation of the non-competition agreement terms in this Schedule 1.4. Any assistance to Buyer in the management of any radio broadcast station owned by Buyer is expressly excluded from the definition of Radio business.

The "Restricted Areas" are portions of the following counties which are within the Station's 1 mv/m service contour:

Jackson, Harrison, Hancock, Stone, George, and Greene counties in Mississippi, and Mobile county in Alabama.