

February 10, 2003

Mr. Rusty Benson
Secretary/Treasurer
Southpoint Educational Radio, Inc.
1219 Antler Drive
Tupelo, MS 38801

Mr. Joey Moody
President
Educational Opportunities Inc.
107 Parkgate Drive
Tupelo, MS 38801

Re: Election to Acquire Byrne, Texas Construction Permit

Dear Messrs. Benson and Moody:

This letter concerns the construction permit (the "Construction Permit") issued to Southpoint Radio, Inc. ("Southpoint") by the Federal Communications Commission ("FCC") authorizing construction of station KIAN(FM), Byrne, Texas. As provided in Section 1(b) of the Settlement Agreement (the "Settlement Agreement"), entered into on or about July 18, 2001, by and among Educational Media Foundation ("EMF"), Southpoint and Educational Opportunities Inc. ("EOI"), EMF hereby notifies Southpoint of its election to acquire the Construction Permit.

Under the Settlement Agreement, Southpoint granted EMF an option to acquire the Construction Permit as consideration for EMF's performance of its obligations thereunder. As consideration for the performance by Southpoint and EOI of their obligations under the Settlement Agreement, including the assignment by Southpoint of the Construction Permit, EMF agreed to pay to Southpoint and EOI the sum of \$75,000. Such payment was to be tendered within ten (10) days of the date the FCC's grant of EMF's application for a construction permit for a new FM station at Stanton, Texas (the "Stanton Consent") became a Final Action, as that term is defined in the Settlement Agreement. The Stanton Grant became a Final Action on December 30, 2002, with payment owing to Southpoint and EOI by January 9, 2003. The parties agreed that such payment would be deferred, and paid by EMF upon its purchase of the Construction Permit.

With respect to the assignment of the Construction Permit, the parties hereby agree as follows:

1. FCC Application. Within five business (5) days of the date hereof, Southpoint and EMF agree to file with the FCC an application for FCC consent to the assignment of the Construction Permit from Southpoint to EMF (the "Byrne Consent"). The parties shall thereafter use reasonable efforts to obtain the Byrne Consent as expeditiously as practicable. If the Byrne Consent imposes any condition on either party, such party shall use reasonable efforts to comply with such condition; provided, however, that neither party shall be required hereunder to comply with any condition that would have a material adverse effect on the operations of such party. If reconsideration or judicial review is sought with respect to the Byrne Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that such party shall not be required to take any action which would have a material adverse effect on the operations of such party; provided, further, that such party shall not have any obligation to participate in a trial-type hearing.

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2. No Litigation. There are currently no claims, actions, suits, litigation, arbitrations, proceedings or investigations (collectively, "Litigation") pending or to the best knowledge of Southpoint, threatened against or affecting Southpoint or the Construction Permit or the transactions contemplated by this agreement and the Settlement Agreement, nor shall there be any such Litigation pending or threatened as of the Closing Date. Performance of Southpoint's obligations set forth herein and in the Settlement Agreement with respect to the assignment of the Construction Permit to EMF will not give rise to any such Litigation. Southpoint is not currently subject to any order, judgment, writ, injunction or decree of any court or governmental agency or entity which could have a material adverse affect on its ability to consummate the Construction Permit assignment, and will not be subject to any such action as of the Closing Date.

3. Southpoint Covenants. Between the date hereof and the Closing Date (as defined herein), as specified in the Settlement Agreement, Southpoint shall maintain and preserve its rights under the Construction Permit, and shall not cause or permit by any act, or failure to act, the Construction Permit to be surrendered, adversely modified or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of the Construction Permit.

3. Closing. Except as mutually agreed by Southpoint and EMF, the closing of the assignment of the Construction Permit (the "Closing") from Southpoint to EMF shall occur on a date (the "Closing Date") fixed by Buyer that shall be no later than five (5) business days following the date upon which the Byrne Consent is obtained. On the Closing Date, EMF shall pay to an agent mutually designated by Southpoint and EOI the \$75,000 due pursuant to Section 1(c) of the Settlement Agreement, and Southpoint shall execute an instrument assigning the Construction Permit to EMF free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, claims, pledges, charges, covenants, conditions or restrictions of any kind. The payment of \$75,000 shall fully satisfy all of EMF's obligations for the purchase of the Construction Permit and all of its obligations under the Settlement Agreement.

4. Termination; Remedies. The obligations of Southpoint and EMF set forth herein and in the Settlement Agreement to consummate the assignment of the Construction Permit (collectively, the "Byrne Obligations") may be terminated by either party, if such terminating party is not itself in material breach of its respective Byrne Obligations, upon the occurrence of the following: (i) a material breach by the other party of any of its Obligations; or (ii) the FCC assignment application is denied or designated for hearing for reasons not caused by the party seeking termination; or (iii) if the Closing shall not have occurred within twenty-four (24) months from the date hereof. Such election to terminate shall be made upon written notice delivered to the non-terminating party in accordance with the notice provisions set forth in the Settlement Agreement. If the Byrne Obligations are terminated for any reason other than a material breach of any Byrne Obligation by either party, Southpoint and EMF shall have no further liability to each other with respect to the Construction Permit. If the Byrne Obligations are terminated due to a party's material breach of its respective Byrne Obligations, then each party shall have all rights and remedies available to it at law and in equity.

5. Expenses. Southpoint and EMF shall each bear its own expenses incurred in the preparation of the FCC application for consent to the assignment of the Construction Permit and in the

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effectuation and consummation of such assignment. All FCC application fees shall be equally divided between EMF and Southpoint.

6. Authority. Each party represents, warrants and covenants to the other that it has full power and authority to enter into this agreement and perform its respective Byrne Obligations.

This agreement and the Settlement Agreement contain the entire understanding of the parties relating to the subject matter hereof, and neither can be modified, waived or terminated except in a writing signed by the party to be bound by such modification, waiver or termination.

If the foregoing accurately reflects our understanding, please sign below evidencing your acceptance and agreement with the foregoing, and return one copy of this letter to the undersigned. This letter may be signed in counterparts, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document.

Sincerely,

EDUCATIONAL MEDIA FOUNDATION

By: 

Richard Jenkins
President

Accepted and agreed to as of the date set forth above:

SOUTHPOINT EDUCATIONAL RADIO

By: 

Rusty Benson
Secretary/Treasurer

EDUCATIONAL OPPORTUNITIES INC.

By: 

Joey Moody
President

cc: Patrick Vaughn, Esq.