

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_ day of May, 2002, by and among Perry Communications, Inc. ("PCI"), Robert A. Perry ("Perry" and together with PCI, "Seller"), and Williams Communications, Inc. ("Buyer").

### RECITALS

WHEREAS, PCI is the licensee of WASZ(FM), Ashland, Alabama and Perry is the licensee of WZZX(AM), Lineville, Alabama (collectively, the "Station"); and

WHEREAS, Seller has agreed to sell certain assets of the Station to Buyer, and Buyer has agreed to purchase such assets on the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between Seller and Buyer that:

1. Application to Commission. The parties shall cooperate in the prompt preparation and filing, within five (5) business days from the date of execution of this Agreement, of an application with the Federal Communications Commission (the "Commission"), requesting its consent to the assignment of the licenses and authorizations for the Station to Buyer. Buyer shall pay the Commission filing fee for such application. The parties shall cooperate in the diligent submission of any additional information requested by the Commission with respect to such application, and will take all steps that are necessary and proper to the expeditious prosecution of such application to a favorable conclusion.

2. Assets to be Transferred. On the Closing Date, as defined in Section 14 hereof, Seller will assign, transfer, sell, convey and deliver to Buyer:

a. All of the licenses and other authorizations (including call signs) issued by the Commission for the operation of the Station;

b. All of the transmission and studio equipment used in the operation of the Station which are listed and described on Exhibit A attached hereto (the "Tangible Personal Property").

Notwithstanding the foregoing, the assets to be transferred by Seller to Buyer do not include: (a) Seller's cash and cash equivalents; (b) real estate; (c) any employment agreements or any pension, profit-sharing or cash or deferred compensation (Section 401k) plans or trusts or any other employee benefit plan or arrangement and the assets thereof, if any; or (d) any insurance contracts, accounts payable, notes payable, or accounts receivable.

The foregoing licenses, authorizations, Tangible Personal Property, and any other property to be transferred ("Purchased Assets"), are to be assigned, transferred and conveyed to Buyer, by good and sufficient bills of sale, assignments, and/or other documents of transfer (the "Closing Documents"), satisfactory in form and substance to Buyer and its counsel. The Purchased Assets will be conveyed to Buyer free and clear of any claims, liabilities, mortgages,

deeds of trust, assignments, liens, pledges, conditions, charges or encumbrances of any nature whatsoever, except for liens for taxes not yet due and payable as of the Closing Date.

3. Escrow Deposit. Buyer shall deposit with Booth, Freret, Imlay & Tepper, P.C. (the "Escrow Agent") the sum of One Hundred Forty-Two Thousand Five Hundred Dollars (\$142,500) which shall be held in escrow (the "Escrow Deposit") pursuant to the terms of an Escrow Agreement entered into contemporaneously herewith (the "Escrow Agreement") and applied to the Purchase Price on the Closing Date. In the event that the purchase and sale of the Station is not consummated as a result of a breach of this Agreement by Seller, the Escrow Deposit shall be immediately returned to Buyer, provided that Buyer is not then in breach. In the event that the purchase and sale of the Station is not consummated as a result of a breach of this Agreement by Seller, Buyer alternatively shall have a right of specific performance of this Agreement (plus recovery of reasonable attorneys' fees), as Buyer and Seller agree the Purchased Assets are unique assets. In the event that the purchase and sale of the Station is not consummated as a result of a breach of this Agreement by Buyer, Seller shall be entitled to recovery of the Escrow Deposit as liquidated damages, provided that Seller is also not in breach.

4. Purchase Price. The purchase price ("Purchase Price") to be paid on the Closing Date by Buyer for the Purchased Assets shall be Two Million Eight Hundred Eighty Thousand Dollars (\$2,880,000), paid by federal wire transfer of same-day funds, as follows:

a. Two Hundred Thousand Dollars (\$200,000.00) of the Purchase Price shall be paid to or for the account of PCI; and

b. Two Million Six Hundred Eighty Thousand Dollars (\$2,680,000.00) of the Purchase Price shall be paid to or for the account of Perry.

c. All prepaid items and all expenses arising from the operation of the Station shall be prorated between Seller and Buyer as of 12:01 a.m. on the Closing Date in accordance with generally accepted accounting principles, except that to the extent an item is not known as of the Closing Date, the parties will either estimate the item or defer proration of such item until it is known.

5. Representations and Warranties of Seller. Seller hereby represents and warrants that:

a. PCI is and as of the Closing Date will be a corporation duly organized and qualified to transact business in Alabama. Perry is and as of the Closing Date will be qualified to transact business in Alabama. This Agreement constitutes the legal, valid and binding obligation of each of PCI and Perry, enforceable in accordance with its terms. Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

b. Subject to obtaining the approval of the Commission, the execution, delivery and performance of this Agreement by each of PCI and Perry (i) do not and will not require the consent of any third party; and (ii) do not and will not conflict with, result in a breach of, or constitute a default under any agreement, instrument, license or permit to which PCI or Perry is a party or by which PCI or Perry may be bound, or under any law, judgment,

order, decree, rule, regulation or ruling of any court or governmental instrumentality, which is applicable to PCI or Perry.

c. PCI and Perry, respectively, are and on the Closing Date will be the holders of the Commission authorizations and licenses for the Station as authorized under the Communications Act of 1934, as amended, and such authorizations and licenses are in full force and effect. Seller's ownership and operation of the Station are in compliance with the Communications Act of 1934, as amended, the Commission's rules and regulations and all other applicable laws and regulations. Seller does not otherwise know of any reason which would disqualify it under the Communications Act of 1934, as amended, from owning or operating the Station, or which would cause the Commission to deny its consent to the assignment of the authorizations and licenses of the Station to the Buyer.

d. Seller owns and has good title to the Tangible Personal Property and all of the other Purchased Assets. All items of transmitting and studio equipment included in the Purchased Assets will permit the Station to operate in accordance with the terms of the licenses and authorizations issued by the Commission, all applicable Commission rules and regulations and with all other applicable laws, rules and regulations.

e. Seller has not engaged a broker in connection with this transaction.

f. Except for any rulemaking proceedings generally affecting the radio broadcasting industry, there are no claims, legal actions, suits, or governmental investigations in progress or pending, or to Seller's knowledge, threatened with respect to Seller's ownership or operation of the Station or otherwise relating to the Purchased Assets.

6. Representations and Warranties of Buyer. Buyer represents and warrants that:

a. Buyer is and as of the Closing Date will be a corporation duly organized and qualified to transact business in Alabama.

b. Buyer has taken all necessary action to authorize the execution, delivery and performance of this Agreement. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.

c. Buyer has not engaged a broker in connection with this transaction.

d. Buyer has the current financial ability to purchase the Station and Buyer will maintain that financial ability until the Closing has been consummated.

7. Expenses. Subject to Section 1 hereof, the expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring such expenses.

8. Assumption of Liabilities and Obligations. As of the Closing Date, Buyer shall pay, discharge and perform all obligations and liabilities arising out of events occurring on or after the Closing Date related to Buyer's ownership of the Purchased Assets or its conduct of

the business or operations of the Station on or after the Closing Date. All other obligations and liabilities of Seller, including any that relate to Seller's ownership or operation of the Station or the Purchased Assets prior to the Closing Date, and those relating to contractual obligations of Seller relating to the Station or the Purchased Assets shall remain and be the obligations and liabilities solely of Seller.

9. Lease of Studio Space and Transmitter Sites.

a. FM & AM Studio Space. Following the Closing Date, Perry shall lease to Buyer the WASZ(FM) and WZZX(AM) studio and office space at 83545 Highway 9, Ashland, Alabama, for a period of one (1) year after the Closing Date or until such time that the WASZ(FM) transmitter site is relocated, whichever occurs first. In consideration for the lease, Perry will be paid the amount of Ten Dollars (\$10.00).

b. FM Tower Site. Following the Closing Date, Perry shall sublease to Buyer, for broadcast purposes only, the right to utilize the top twenty (20) feet of the 200 foot free-standing tower which serves as WASZ(FM)'s transmitter site, owned by Crown Towers, access to such tower, and suitable space in the WASZ(FM) transmitter building for a period of one (1) year after the Closing Date or until such time that the WASZ(FM) transmitter site is relocated, whichever occurs first. In consideration for the sublease, Perry will be paid the amount of Ten Dollars (\$10.00).

c. AM Tower Site. Following the Closing Date, Perry shall lease to Buyer the land upon which WZZX(AM)'s transmitter site is located and the building located on such land at #1 Knight Street, Lineville, Alabama for a period of five (5) years after the Closing Date. In consideration for the lease, Perry will be paid the amount of Five Hundred Dollars (\$500.00) per month, which amount has been included in the Purchase Price to be paid at Closing. At the Closing, Perry and Buyer shall enter into the Tower Site and Studio Lease Agreement attached as Exhibit B.

10. Intentionally Omitted.

11. Conditions Precedent of Seller. All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing Date, of each of the following conditions:

a. The Commission shall have granted its approval of the assignment of the Station's licenses and authorizations to Buyer.

b. Buyer shall have paid the Purchase Price.

c. Buyer shall have executed and delivered to Seller the Closing Documents.

12. Conditions Precedent of Buyer. All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing Date, of each of the following conditions:

a. The Commission shall have granted its approval of the assignment of the Station's licenses and authorizations to Buyer without any conditions materially adverse to Buyer.

b. There shall not have been a material adverse change in the condition, quality or value of the Purchased Assets or the Station.

c. Seller shall have executed and delivered to Buyer the Closing Documents.

d. All representations and warranties of Seller made herein shall be true and correct as of the Closing Date, and Seller shall have delivered to Buyer a certificate executed by each of PCI and Perry to such effect.

e. As of the Closing Date, Seller shall have complied with all covenants and conditions of this Agreement, and Seller shall have delivered to Buyer a certificate executed by each of PCI and Perry to such effect.

### 13. Termination.

a. If the conditions to Closing set forth in Sections 11 and 12 of this Agreement shall not have been satisfied within a period of twelve (12) months from the date of this Agreement, either Seller or Buyer may thereafter terminate this Agreement by giving written notice to the other; provided, however, that the party desiring to terminate shall not then be in material breach of this Agreement and have been notified in writing of such breach by the other party hereto.

b. If either Buyer or Seller shall be in material breach of this Agreement, and such breach shall not have been cured after ten (10) days' written notice, the other party, if not then in material breach and having received written notice thereof, may terminate this Agreement. In the event of a material breach of this Agreement by Seller, Buyer alternatively shall have a right of specific performance of this Agreement (plus recovery of reasonable attorneys' fees), as Buyer and Seller agree the Purchased Assets are unique assets.

14. Risk of Loss. The risk of loss, damage or destruction to any of the property or assets to be transferred to Buyer hereunder from fire or other casualty or cause shall be borne by Seller at all times up to the close of business on the Closing Date. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition. However, in the event that the property is not completely repaired, replaced or restored on or before the Closing Date, the parties may agree to postpone the Closing. Seller shall not be deemed to be in default of its obligations hereunder so long as reasonable and diligent efforts are made to repair, replace or restore such property or assets.

15. Closing. The closing (the "Closing") shall occur upon the consummation of the transactions contemplated by this Agreement on a date designated by Buyer which shall not be earlier than the tenth (10<sup>th</sup>) nor later than the forty-fifth (45<sup>th</sup>) business day after the FCC provides public notice that it has approved and granted the assignment of the

WZZX and WASZ licenses (the “Closing Date”); provided, however, that, in the event of any post-grant protest of the Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10<sup>th</sup>) business day after the Commission’s consent and approval has become a Final Order, as hereinafter defined. “Final Order” means an Order of the FCC granting its consent and approval to the assignment of the WZZX and WASZ licenses and authorizations from Seller to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, or the Rules and Regulations of the FCC.

16. Control of the Station. Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct, the operations of the Station; such operations (including supervision of programming, personnel and finances) shall be the sole responsibility of Seller until this Agreement is consummated.

17. Survival. The representations and warranties of Buyer and Seller set forth herein shall survive the Closing Date.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements or understandings.

19. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama, without regard to the conflict of laws provisions thereof.

20. Successors and Assigns. Neither party hereto shall assign its right or obligations hereunder to any other party without the other party’s prior written consent. This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the respective parties hereto.

21. Cooperation. Seller and Buyer shall each cooperate, take such actions and execute and deliver such documents as may be reasonably requested by either party in order to carry out the provisions and purposes of this Agreement.

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 duly delivered on the date of personal delivery or the date of receipt if sent by registered or certified mail, postage prepaid and return receipt requested, and shall be deemed to have been received on the date of personal delivery or on the date set forth on the return receipt, to the following addresses or to such other address as any party may request, in the case of Seller, by notifying Buyer, and in the case of Buyer, by notifying Seller:

To Buyer: Williams Communications, Inc.  
P.O. Box 788  
Centre, Alabama 35960  
Attention: Walton E. Williams, Jr.

To Seller: Perry Communications, Inc.  
Box 395  
Ashland, Alabama 36251  
Attention: Robert A. Perry

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

24. Multiple Ownership Compliance. Buyer hereby represents and warrants that the transaction contemplated by this Agreement complies with the FCC's Multiple Ownership rules and regulations, set forth in part 47 C.F.R. 73.3555 and is prepared to demonstrate the same to either the Seller or FCC if requested or required. The parties agree and acknowledge that Buyer's compliance with the Multiple Ownership rules and regulations is an intrinsic element of this transaction.

25. Maintenance of Confidences. Until and after the Closing, Buyer and Seller agree to keep confidential all information either receives or has received during the course of the negotiations in connection with the transaction contemplated herein or relating to the business operations of Seller or Buyer, provided that either party may disclose such information to its professional advisors, agents and any financial institution which it may be dealing with in connection with the proposed transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, Buyer shall promptly return to Seller all materials acquired by Buyer from Seller with respect to the Station and the associated assets and intangibles, and provide to Seller the names and addresses of any and all persons, firms or other entities who have viewed or received information with respect to the proposed sale of the Station (together with a meaningful description of the materials viewed or received by each of them).

[Signatures on following page]

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

SELLERS:

PERRY COMMUNICATIONS, INC.

BY: \_\_\_\_\_  
Robert A. Perry, President

ROBERT A. PERRY

\_\_\_\_\_  
Robert A. Perry

BUYER:

WILLIAMS COMMUNICATIONS, INC.

BY: \_\_\_\_\_  
Walton E. Williams, Jr., President

## **EXHIBIT A**

### Inventory List

#### FM Studio

Belar FM RF Amplifier  
Mosely PCL 6010 Aural STL Transmitter with Antenna  
Orban Model 8100A FM Optimod  
Burk EAS System including RX4 & LX4  
Bogen AM/FM Tuner  
Micro Control RCR Remote Controller  
Belar FM Modulation Monitor  
Belar Stereo Monitor  
BGH Model 75 Power Amplifier  
(2) Image-5 Studio Monitors  
Equipment Rack  
Harris Medalist-8 Stereo Control Board  
(2) Sony Single Tray CD Players  
Optimus Dual Cassette Deck  
(2) Shure Microphones with Mic Booms  
Studio Cabinetry  
386 PC with Smartcaster Professional Broadcast Program including Monitor, dbx Noise  
Reduction, Battery Back-up, Keyboard  
Starguide III Satellite Receiver

#### FM Transmitter Site

Harris 2 Kilowatt Solid Transmitter with Digital Exciter  
ERI Antenna, Tuned to 95.5  
Mosely STL Receiving Unit with Antenna  
Sine System Remote Control for Transmitter  
100-foot Rohn-25 Guyed Tower (Assembled)  
Equipment Rack for Processing Equipment

## AM Studio

Belar AM RF Amplifier  
Microcontrol PTS 10 STL  
Mosely TRC-15 Remote Control Unit (not working)  
Orban AM Optimod Model 9000A  
Scientific Atlanta 7325 Digital Processing Unit with Down Converter, D-Mod & Power Supply  
24 Space Patch Panel  
AM Studio Cabinetry  
Gates Monaural Control Board with Power Amp  
(2) Shure Microphones with Booms  
Technics Dual Cassette Tape Deck (poor condition)  
Pioneer PD4700 Single Tray CD Player  
Teac P1160 Single Tray CD Player  
Image-5 Studio Monitor  
486 Tower PC with Smartcaster Broadcasting Program including Color Monitor,  
Keyboard & Switcher  
3 Headphones (AM & FM)  
(2) ITC PDII Record/Playback Cart Machines  
(2) ITC PDII Playback Only Cart Machines  
Sparta Turn Table  
Gates Turn Table  
Bogen Head Phone Amplifier

## AM Transmitter Site

Harris Gates 5A 5000 Watt Solid State Transmitter (About 3 Years Old)  
Microcontrol STL Receiving Unit with Antenna  
Sine System Remote Control  
Failsafe System  
Equipment Rack  
AM Tuning System  
300 Foot Rohn-45 Series-Fed Guyed Tower with Beacon and Sidelights

**EXHIBIT B**

Tower Site and Studio Lease Agreement

*[To Be Attached]*