

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made as of the 14th day of May, 2003 (the "Effective Date"), by and between **Styles Media Group, L.L.C., its successors and/or assigns** (the "Buyer"), and **SkyWay Broadcasting, Ltd., Cheryl Clark ("Clark"), and Jack R. Brunson, their successors and/or assigns** (collectively, the "Seller").

WHEREAS, Seller is the licensee of and owns the assets used and usable with radio station WXUS (FM), Fort Rucker, Alabama (the "Station"); and

WHEREAS, Buyer has agreed to purchase and Seller has agreed to sell all of the assets of the Station under the terms specified below.

NOW, THEREFORE, in consideration of an earnest money Earnest Money (the "Earnest Money") in the amount of Thirty Seven Thousand Five Hundred and No/100 Dollars (\$37,500) paid in cash by Buyer to Escrow Agent, as provided in paragraph 22, and the mutual terms, covenants, conditions and agreements contained in this Agreement, the parties agree as follows:

1. **Sale and Purchase**. On the Closing Date (as defined in Section 4 below), Seller shall sell and assign to Buyer, and Buyer shall purchase and accept from Seller, all assets (other than excluded assets) used in the operation of the Station (collectively, the "Assets"), free and clear of all debts, liens and encumbrances including:

(a) the FCC licenses or authorizations pertaining to the Station listed in Schedule 1(a) hereto (collectively, the "FCC Licenses");

(b) leases for the Station's transmitter site/tower described on Schedule 1(b) hereto (the "Leased Real Property");

(c) the tangible personal property pertaining to the Station listed in Schedule 1(c) hereto;

(d) the call letters and other intangible assets pertaining to the Station listed in Schedule 1(d) hereto.

2. **Excluded Assets**. The Assets shall not include cash on hand, accounts receivables pertaining to the Station, or the building and land located at 701, 703 and 705 N. Daleville Avenue, Daleville, Alabama.

3. **Purchase Price.**

- (a) The purchase price ("Purchase Price") shall be \$750,000.
- (b) The Purchase Price shall be paid to Seller in the following manner:
 - (i) \$500,000 in cash at closing;
 - (ii) A promissory note in the amount of the \$225,000 payable to Seller over a term of 10 years and bearing interest at a rate of 8% per annum. Said promissory note shall be interest only for the first year of the term and shall be amortized over the remaining term. The note shall be secured by a lien on the assets of the Station and the balance shall be due on any subsequent sale of the Station.
 - (iii) \$25,000 in cash payable upon the grant – or assurance of the grant – of a Construction Permit by the FCC to change the Station from Channel 263A to Channel 263C3 at Fort Rucker, Alabama. Seller hereby agrees to assist Buyer, as needed, to obtain the authorization of the FCC to such change. Any cost associated with the granting of the Construction permit will be paid for, or reimbursed by, the Buyer.

4. **Closing.** The closing of the transactions contemplated hereby (the "Closing") shall take place on a date (the "Closing Date") specified by Buyer within ten (10) business days after the FCC has granted its consent to the assignment of the FCC Licenses from Seller to Buyer and such consent has become "final," i.e., no longer subject to rescission, review, appeal, or reconsideration by the FCC or any state, local, or federal court, provided, that Seller and Buyer may waive the requirement that the FCC consent shall have become final.

5. **FCC Application.** No later than ten (10) business days after the execution of this Agreement, Buyer and Seller shall file with the FCC an application requesting consent to the assignment of the FCC Licenses from Seller to Buyer, with Buyer paying the cost of the FCC filing fee, and each party bearing its own legal, accounting and other costs. Seller and Buyer shall use their best, diligent efforts to prosecute such application to a successful conclusion.

6. **Covenants, Representations and Warranties of Seller.** Seller covenants, represents and warrants to Buyer, as follows:

(a) **Employment Agreement.** At the Closing, Clark and Buyer shall enter into an Employment and Non-Competition Agreement that includes, among other usual and customary provisions, the terms set forth on Exhibit 6(a).

(b) **Lease.** At the Closing, the Seller shall deliver to Buyer an executed Lease whereby Clark agrees to lease to Buyer – at no charge – the improved

real property located at 703 N. Daleville Avenue, Daleville, Alabama for a term of five (5) years. In the event Seller's property is no longer available, Seller will provide office space in Daleville acceptable to Buyer on the same terms.

(c) Organization and Standing. Seller is a limited partnership, duly organized validly existing and in good standing under the laws of the State of Alabama.

(d) Authorization and Binding Obligations. The Seller has full power and authority to own and operate the Station, its properties, to carry on its business as now conducted, to execute and deliver this Agreement and to perform its obligations under, and to consummate the transactions contemplated by, this Agreement. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable against it in accordance with its terms.

(e) Absence of Conflicting Agreements or Required Consents. Except as set forth in Paragraph 5 with respect to the FCC, neither the execution, delivery and performance of this Agreement by Seller, nor the consummation by Seller of the transactions contemplated hereby: (i) does or will require the consent of any third party; (ii) does or will violate any provisions of Seller's limited partnership agreement; (iii) does or will violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any state, local, or federal court or governmental entity to which Seller is a party or by which Seller is bound; and (iv) does or will, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, agreement or other instrument to which Seller is a party or by which it is bound.

(f) Litigation. There is no decree, judgment, order, investigation, claim, litigation or proceeding pending or, to Seller's knowledge, threatened before or by any commission, agency or other administrative or regulatory body, court, or other judicial authority to which Seller is a party or otherwise related to the Station, its assets, or which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

(g) Condition of Assets. All of the tangible personal assets including, without limitation, the Station's transmitting and studio equipment are in operating condition, ordinary wear and tear excepted, and are now and will, on the Closing Date, be operating in material compliance with all applicable rules and regulations of the FCC and of all other governmental authorities.

(h) FCC Licenses. Seller has not filed, and from the date hereof to the Closing date, Seller shall not file any petitions to modify, amend, or in any other

way impair any of the FCC Licenses, other than to renew such FCC Licenses in the ordinary court (if required). Further, Seller has filed all necessary reports and other filings with the FCC. The FCC Licenses are in good standing before the FCC, and the FCC Licenses are validly issued, unimpaired and in full effect.

(i) Leased Real Property. Schedule 1(b) contains a true and complete description of all real property currently leased by the Seller. The Leased Real Property comprises all of the real estate used or necessary for the lawful operation of the Station as presently operated. None of the Leased Real Property lies in an area which is or will be subject to zoning, use or building code restrictions which would prohibit the continued effective use of such property in the radio broadcasting business. The Seller enjoys peaceful and materially undisturbed possession of the real property included in the Leased Real Property. None of the buildings, structures or improvements that comprise or are located on the Leased Real Property (including, without limitation, all guy wires and guy anchors) encroaches upon adjoining real estate; and to all such buildings, structures and improvements are constructed in conformity with all applicable building or safety codes and zoning ordinances. There are no pending or to Seller's knowledge, threatened condemnation or eminent domain proceedings that may have a material adverse effect on the Buyer's use of any of the Leased Real Property. On the Closing Date, the Buyer will have a valid and enforceable leasehold interest to all the Leased Real Property, free and clear of all liens, charges, pledges, restrictions and encumbrances.

(j) Compliance with Law. The Seller is not in material violation of any statute, regulation or order of any state, local or federal governmental court, commission, agency or other authority relating to the tangible personal assets or the business or operations of the Station and there is no outstanding complaint, citation, or noncompliance by the Seller in connection with the business or operations of the Station, with any such statute, regulation or order. The present operation of the Station complies in all material respects with all applicable federal, state, and local environmental laws of any type including, without limitation, those relating to electrical transformers and human exposure to radio frequency radiation.

(k) Notification. Seller shall promptly notify Buyer of (i) any material adverse change in any information contained in the representations and warranties of Seller made in this Agreement or (ii) any litigation, court, arbitration or administrative proceeding pending or, to Seller's knowledge, threatened against Seller which challenges the transactions contemplated hereby, including any challenges to the FCC application, and shall use its reasonable best efforts to take such steps as may be necessary to remove any such impediment to the transactions contemplated by this Agreement.

(l) No Inconsistent Action. Seller shall not take any action (i) inconsistent with its obligations or representations and warranties under this

Agreement or (ii) that would hinder or delay the consummation of the transactions contemplated by this Agreement.

7. **Covenants, Representations and Warranties of Buyer.** Buyer covenants, represents and warrants to Seller as follows:

(a) **Organization and Standing.** Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida.

(b) **Authorization and Binding Obligation.** Buyer has the full power and authority to own and operate its properties, to carry on its business as now conducted, to execute and deliver this Agreement and to perform its obligations under and to consummate the transactions contemplated by this Agreement. The execution, delivery and performance by Buyer of this Agreement have been duly and validly authorized by all necessary limited liability company action of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as limited by law.

(c) **FCC Qualifications.** Buyer is qualified under the rules and regulations of the FCC to be the holder of an FCC license and to own the Station.

(d) **Litigation.** As of the Effective Date, there is no claim, litigation or proceeding pending before any court, commission, or agency or, to Buyer's knowledge, threatened against Buyer which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

(e) **Notification.** Buyer shall promptly notify Seller of (i) any material adverse change in any information contained in the representations and warranties of Buyer made in this Agreement or (ii) any litigation, arbitration or administrative proceeding pending or, to Buyer's knowledge, threatened against Buyer which challenges the transactions contemplated hereby, including any challenges to the FCC application, and shall use its reasonable best efforts to take such steps as may be necessary to remove any such impediment to the transactions contemplated by this Agreement.

8. **Risk of Loss.** The risk of loss or damage to the Station's assets to be sold Buyer under this Agreement shall be upon Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible; provided, however, that any replacement property need only be of the same kind, quality, and utility as the last or damaged property, and Seller

shall have no obligation to replace used property with new property.

9. **Conditions to Closing of Seller.** The obligation of Seller to consummate this transaction is subject to the following conditions:

(a) Delivery to Seller by Buyer of the Purchase Price as provided in ¶ 3(b)(i) and (ii) herein;

(b) The representations and warranties of Buyer shall be true and correct in all material respects as of Closing with the same force and effect as if made on and as of the Closing;

(c) Buyer shall have performed in all material respects all its covenants and undertakings set forth herein;

(d) FCC consent to assignment of the FCC Licenses to Buyer shall have been granted, without any condition materially adverse to Seller such consent shall have become effective under FCC rules and regulations; and such consent shall have become “final,” as defined in ¶ 4 above provided, that the requirement of finality may be waived by Buyer; and

(e) Any instruments, documents and certificates as reasonably may be requested by Seller to consummate the transaction contemplated by this Agreement shall have been executed and delivered to Seller.

10. **Conditions to Closing of Buyer.** The obligation of Buyer to consummate this transaction is subject to the following conditions:

(a) The representations and warranties of Seller shall be true and correct in all material respects as of Closing with the same force and effect as if made on and as of the Closing;

(b) Seller shall have performed in all material respects all its covenants and undertakings set forth herein;

(c) FCC consent to assignment of the FCC Licenses to Buyer shall have been granted, without any condition materially adverse to Buyer; such consent shall have become effective under FCC rules and regulations; and such consent shall have become “final,” as defined in ¶ 4 above, provided that the requirement of finality may be waived by Buyer in writing;

(d) As of the Closing, no action, suit or proceeding concerning Station or its assets or seeking to enjoin, restrain, or prohibit the consummation of this transaction shall be pending before any state, local or federal court, the FCC, or any other governmental agency or authority;

(e) At Closing or prior to Closing, Buyer shall have the right at Buyer's expense to obtain lien searches and the report of a title company establishing to Buyer's reasonable satisfaction that the Company's representatives as to the status and condition of the Station's FCC Licenses, Seller's title to the Station's tangible personal assets to be sold to Buyer and of the landowner's title to the Leased Real Property and the compliance of the Leased Real Property to zoning and building codes and regulations is as set forth in this Agreement;

(f) Seller shall deliver to Buyer all of the Closing documents specified in Schedule 10(f) hereto, or elsewhere in this Agreement, all of which documents shall be dated as of the Closing Date, duly executed, and in a form customarily used in Houston County, Alabama, and reasonably acceptable to Buyer;

(g) Any instruments, documents and certificates as reasonably may be requested by Buyer to consummate the transaction contemplated by this Agreement shall have been executed and delivered to Buyer.

11. **Arbitration.** Each and every dispute, controversy or claim arising under this Agreement shall be resolved by arbitration. Arbitration shall be held in accordance with the Commercial Arbitration Rules of the American Arbitration Association before an impartial panel of arbitrators selected as provided in this Agreement. Any dispute as to whether an issue is to be resolved by arbitration shall likewise be submitted as part of the arbitration proceeding.

(a) Arbitration shall take place in Houston County, Alabama at a place to be specified by the arbitrators.

(b) All arbitration proceedings shall be conducted by a panel of three (3) arbitrators. The party requesting arbitration shall have the right to select one (1) arbitrator and the person or persons on the other side of the controversy shall select a second arbitrator. The two arbitrators so chosen shall select the third arbitrator.

(c) As part of the arbitration award, legal fees, costs, attorney fees, and the fees of expert witnesses may be assessed and such assessment and determination shall be made by the arbitrators. The expense of the arbitrators shall be borne by each party paying for the arbitrator selected by that party and by the parties each paying one-half of the expenses of the third arbitrator; and

(d) The arbitration award may be entered as a final judgment in Houston County, Alabama and the parties specifically consent to jurisdiction in the State of Alabama.

12. **Indemnification.** Seller shall indemnify and hold harmless Buyer from any loss, liability, damage or expense (including, without limitation, legal fees and other

expenses incident thereto) arising from or pertaining to (i) third party claims arising from Seller's ownership or operation of the Station prior to Closing; (ii) breach of any covenants, representations or warranties in this Agreement by Seller; and (iii) actions of Seller.

13. **Survival of Representations and Warranties.** The representations and warranties in this Agreement shall survive the Closing.

14. **Specific Performance.** Seller's obligations under this Agreement are unique. If Seller should default in its obligations under this Agreement, Seller acknowledges that it would be extremely impracticable to measure the resulting damages to Buyer; accordingly, Buyer, in addition to any other available rights and remedies, set forth herein or available at law or in equity, may sue in equity for specific performance or injunctive relief, and Seller expressly waives the defense that a remedy in damages will be adequate.

15. **Termination.** This Agreement may be terminated by Buyer if Seller is in material default or refuses to close, and by Seller if Buyer is in material default or refuses to close; provided that (i) such default has not been cured within thirty (30) days of the receipt of written notice of such default and (ii) the terminating party is not in default. Further, if Closing has not occurred within twelve (12) months of the Effective Date, either party, provided that such party is not in default, may terminate this Agreement upon twenty (20) days' written notice to the other party.

16. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties. Seller also agrees that Buyer may assign this Agreement to other individuals or entities provided such assignee fully adopts and agrees to perform the terms of this Agreement.

17. **Construction.** This Agreement shall be construed under the laws of the State of Alabama.

18. **Notices.** Any notice or other communication under this Agreement shall be in writing and addressed as follows:

(a) To Seller:

SkyWay Broadcasting, Ltd.
P.O. Box 1126
Daleville, Alabama 36322
Attn: Cheryl Clark

Jack R. Brunson
Post Office Box 273
Elba, Alabama 36323

(b) To Buyer:

Styles Media Group, L.L.C.
7106 Laird Street
Panama City Beach, Florida 32408
Attn: Thomas A. DiBacco

Notice shall be deemed to have been given on the date of receipt at the foregoing addresses by registered or certified mail, by express mail or use of overnight/same day delivery service, on the date the fax is transmitted.

19. **Agreement Complete; Amend in Writing.** This Agreement contains all the terms agreed upon by the parties with respect to the subject matter of the Agreement, and supersedes all prior agreements and understandings and documents as to the Station and the Assets. This Agreement may not be amended except in writing signed by all parties.

20. **Counterparts.** This Agreement may be executed in counterparts.

21. **Headings.** Underlined headings are provided for convenient reference only, and do not modify the text of the paragraphs to which they relate.

22. **Escrow Agent.** The Escrow Agent shall be Farmer, Price, Hornsby & Weatherford, and the Earnest Money shall be held in escrow upon the following terms and conditions:

(a) The Earnest Money shall be invested in an interest bearing account maintained by a national bank approved by Buyer and Seller, so as to provide availability of funds on no more than two days notice.

(b) The interest earned on the Earnest Money shall be reinvested for so long as the escrow shall continue, and shall be considered a part of the Earnest Money.

(c) In the event of a default by Buyer under the terms of this Agreement, Escrow Agent is instructed to deliver the Earnest Money and all interest earned thereon to Seller.

(d) In the event of a default by Seller under the terms of this Agreement, or the termination of this Agreement by Buyer in accordance with its provisions, Escrow Agent is instructed to deliver the Earnest Money and all interest earned thereon to Buyer.

(e) In the event of the closing of the sale of the Station, the Earnest Money and all interest earned thereon shall be applied to the purchase price.

(f) Buyer and Seller agree that Escrow Agent shall not be liable for the failure of the depository or for any reason except gross negligence or intentional misconduct.

(g) Escrow Agent shall comply with any specific terms contained in this Agreement with respect to the disbursement of escrow funds. Any request for disbursement of the Earnest Money shall be signed by Buyer and Seller; provided, however, that if either party unilaterally makes a written request for disbursement to Escrow Agent, and the other party fails to object in writing within ten (10) days of receipt of written notice of such request from Escrow Agent, the Escrow Agent shall be authorized to disburse the Earnest Money to the requesting party. Notwithstanding any provision in this paragraph 22(g) to the contrary, Escrow Agent is authorized to disburse the Earnest Money in accordance with the order of judgment of a court of competent jurisdiction.

(h) In connection with this escrow, Buyer and Seller agree to execute such agreements as Escrow Agent may reasonably request. Failing such execution, Escrow Agent may decline to serve in such capacity, and Buyer and Seller shall select a substitute escrow agent by mutual consent.

(i) In the event of any dispute regarding the application of the Earnest Money, Escrow Agent shall be authorized to disburse the Earnest Money to a court of competent jurisdiction, to be held pending resolution of that dispute.

(j) If Escrow Agent is required to institute or participate in litigation as a result of this escrow, the parties hereto shall be jointly and severally obligated to reimburse it for any costs and expenses (including reasonable attorneys' fees) actually incurred by it.

(k) If Buyer fails to deliver the Earnest Money to Escrow Agent within three (3) business days from its execution of this Agreement, Seller may, by delivery of written notice to Buyer at any time prior to Escrow Agent's receipt of the Earnest Money, terminate this Agreement.

[Signature Page to Follow]

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

BUYER:
Styles Media Group, L.L.C.

By: _____
Thomas A. DiBacco
Its: Managing Member

SELLER:
SkyWay Broadcasting, Ltd.

By: _____
Cheryl L. Clark
Its: General Partner

By: _____
Jack R. Brunson
Its: Limited Partner

Cheryl L. Clark, Individually

Jack R. Brunson, Individually

ESCROW AGENT:
Farmer, Price, Hornsby & Weatherford,
L.L.P.

By: _____
J. Vincent Edge
Its: Partner

Schedule 1(a)

FCC License(s)

See attached.

Schedule 1(b)

Leased Real Property

Tower Lease Agreement dated February 24, 1997 by and between CVI of Alabama, Inc., d/b/a Time Warner Cable, as lessor, and SkyWay Broadcasting, Ltd., as lessee, and concerning a tower being located at latitude 31-19-38, longitude 085-35-36 on real property located in Dale County, Alabama.

Schedule 1(c)

Tangible Personal Property

All broadcast, other equipment, and tangible personal property of every type and description used or usable in the operation of Station WXUS-FM.

Schedule 1(d)

Intangible Assets

The tradename "US 100.5"

The domain name www.wxus.com

Schedule 2

Local Marketing Agreement

None.

Schedule 10(f)

Closing Documents

Deliveries By Seller

Seller's Certificate regarding Representations and Warranties
Bill of Sale for Tangible Personal Property and Miscellaneous Assets
Assignment of Licenses and Authorizations
Employment and Non-Competition Agreement
Lease Agreement
Estoppel Certificates from Landlord of Leased Real Property
Third-Party Consents to Assignment of Contracts and Leases