

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of March 8, 2006 between New South Communications, Inc. ("Seller") and New South Radio, Inc. ("Buyer").

### Recitals

A. Seller owns and operates radio broadcast station WUSJ(FM), Jackson, MS (the "Station") pursuant to authorizations issued by the Federal Communications Commission (the "FCC").

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### Agreement

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

#### ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Station, including, without limitation, those that are specifically set forth below (collectively, the "Station Assets"):

(a) the licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station that are described on *Schedule 1.1(a)* (the "FCC Licenses"), including any renewals or modifications thereof between the date hereof and Closing;

(b) Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property used or held for use in the operation of the Station (the "Tangible Personal Property");

(c) Seller's real property used or held for use in the operation of the Station (including any appurtenant easements and improvements located thereon) (the "Real Property"); and

(d) all contracts, agreements and leases used or held for use in the operation of the Station and expressly assumed by Buyer at Closing (collectively, the "Station Contracts").

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for (i) Assumed Obligations (defined in Section 1.3), (ii) liens for taxes not yet due and payable, (iii) other Liens that do not in any material respect detract

from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station, and (iv) Liens which will be fully released and discharged at or prior to Closing (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein:

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller retired or disposed of in the ordinary course between the date of this Agreement and Closing;

(c) all Station Contracts that are terminated or expire prior to Closing in the ordinary course;

(d) Seller's corporate names and trade names, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(e) contracts of insurance, and all insurance proceeds and claims made thereunder;

(f) the Station's accounts receivable arising prior to the time of Closing; and

(g) the assets listed on *Schedule 1.2*.

1.3. Assumption of Obligations. On the Closing Date, Buyer and Seller shall agree on those contracts, agreements and leases which shall constitute the Station Contracts, and upon Closing, Buyer shall assume the obligations of Seller arising after Closing under the Station Contracts (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller.

1.4. Purchase Price. In consideration for the sale of the Station Assets to Buyer, Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00), subject to adjustment pursuant to Section 1.5 (the "Purchase Price"). Payment of the Purchase Price as so adjusted, shall be made upon Closing.

1.5. Prorations and Adjustments.

Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 11:59 p.m. on the Closing Date.

1.6. Closing.

Unless otherwise agreed by the parties, the consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on the fifth business day after the date that the FCC Consent (defined below) is granted, subject to the satisfaction or waiver of the conditions set forth in Articles 4 and 5 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.7. FCC Consent. Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the "FCC Consent"). Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite power and authority to own and operate the Station, to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

2.2. Authorization. The execution, delivery and performance of this Agreement by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. FCC Licenses. Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Station. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.

2.4. Property. Seller has good and marketable title to the Tangible Personal Property and the Real Property, free and clear of Liens other than Permitted Liens.

## ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary action of Buyer and do not

require any further authorization or consent of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. Qualification. 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.

#### ARTICLE 4: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions:

4.1. Representations and Warranties.

(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 covenants and agreements to be complied with and performed by Buyer at or prior to Closing each shall have been complied with or performed in all material respects.

4.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

4.3. FCC Authorization. The FCC Consent shall have been obtained and shall be in full force and effect.

4.4. Deliveries. Buyer shall have complied with each of its obligations set forth in Section 6.2.

#### ARTICLE 5: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions:

5.1. Representations and Warranties.

(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 covenants and agreements to be complied with and performed by Seller at or prior to Closing each shall have been complied with or performed in all material respects.

5.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3. FCC Authorization. The FCC Consent shall have been obtained and shall be in full force and effect.

5.4. Deliveries. Seller shall have complied with each of its obligations set forth in Section 6.1.

#### ARTICLE 6: CLOSING DELIVERIES

6.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (i) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;
- (ii) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;
- (iii) a bill of sale conveying the other Station Assets from Seller to Buyer;
- (iv) any consents to assign the Station Contracts obtained by Seller; and
- (v) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

6.2. Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (i) the Purchase Price in accordance with Section 1.4 hereof;
- (ii) an assignment and assumption of contracts assuming the Station Contracts; and
- (iii) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

#### ARTICLE 7: TERMINATION

This Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below).

(c) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period; or

(d) by written notice of Seller to Buyer, or Buyer to Seller, if Closing does not occur by the first anniversary of the date of this Agreement.

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

#### ARTICLE 8: MISCELLANEOUS

8.1. Expenses. Except as otherwise provided herein, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

8.2. Further Assurances. After 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 of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

8.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, such consent not to be unreasonably withheld or delayed. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

8.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed delivery by a nationally recognized overnight courier service, or on the third day after prepaid mailing by certified U.S. mail, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Buyer: New South Communications, Inc.  
P.O. Box 5797  
Meridian, MS 39302

if to Seller: New South Radio, Inc.  
3636 Highway 45 North  
Meridian, MS 39301

8.5. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

8.6. Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

8.7. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, 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.

8.8. No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

8.9. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Mississippi without giving effect to the choice of law provisions thereof.

8.10. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

12310871

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: NEW SOUTH RADIO, INC.

By: Clay E. Holladay  
Name: Clay E. Holladay  
Title: President

SELLER: NEW SOUTH COMMUNICATIONS, INC.

By: \_\_\_\_\_  
Name: Robert H. Holladay  
Title: President



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BUYER: NEW SOUTH RADIO, INC.

By: \_\_\_\_\_  
Name: Clay E. Holladay  
Title: President

SELLER: NEW SOUTH COMMUNICATIONS, INC.

By: Robert H. Holladay  
Name: Robert H. Holladay  
Title: President

SCHEDULE 1.1(a)  
(FCC Licenses)

FM Broadcast Station License for station WUSJ(FM), Jackson, MS (Facility ID 62050) (FCC File No. BMLH-20040223AAO)

Application for Minor Change to Licensed Facility for WUSJ(FM) (FCC File No. BPH-20051219AAM)

SCHEDULE 1.2  
(Excluded Assets)

None