

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into this 10th day of October 2003 (the "Agreement"), by and between Bob McRaney Enterprises, Inc. (the "Seller") and TeleSouth Communications, Inc. (the "Buyer").

WITNESSETH:

WHEREAS, Seller is licensed by the Federal Communications Commission (the "FCC") to operate radio stations WKBB(FM), 100.9 MHz, West Point, Mississippi, (Facility ID No. 6194), and WROB(AM), 1450 MHz, West Point, Mississippi, (Facility ID No. 6195) (the "Stations") and is the owner of assets used and/or useful in the operation thereof; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the assets used and/or useful in connection with the operation of the Stations, all on the terms and subject to the conditions set forth herein, including prior approval of the FCC;

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

ARTICLE I PURCHASE OF ASSETS

1.1 Transfer of Assets. On the Closing Date (as defined in Section 5.1 hereof), Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real, personal, or mixed, tangible and intangible, owned or leased by Seller as the case may be, which are used and/or useful in connection with the operation of the Stations, as the same shall exist on the Closing Date, including but not limited to the following (but excluding the Excluded Assets specified in Section 1.3 hereof), all such assets being referred to herein as the "Stations Assets". The Stations Assets include, without limitation, the following:

1.1.1 All licenses, permits and other authorizations issued by the FCC and any other federal, state or local government authority (the "Stations Licenses") to Seller in connection with and necessary for and/or used or useful in the conduct of the business and the operation of the Stations, together with renewals or modifications of such Stations Licenses between the date hereof and the Closing Date, and all applications therefore, including but not limited to those listed on Schedule 1.1.1 attached hereto;

1.1.2 All towers, broadcast equipment, transmission equipment,

studio equipment, office equipment, machinery, office furniture and fixtures, office materials and supplies, inventory, spare parts and other tangible personal property of every kind and description of Seller, and Seller's rights therein, used and/or useful in the operations of the Stations, together with any improvements or replacements thereof and additions thereto made between the date hereof and the Closing Date, including but not limited to those listed on Schedule 1.1.2 attached hereto;

1.1.3 All contracts, agreements and leases, written or oral, relating to the operation of the Stations which are listed in Schedule 1.1.3 attached hereto (the "Assumed Contracts"), together with all contracts, agreements and leases entered into or acquired by Seller between the date hereof and the Closing Date which Buyer may elect to assume in writing at Closing, provided however that Buyer shall have no obligation to assume at Closing any such contracts, agreements and leases which is not listed on Schedule 1.1.3;

1.1.4 All of Seller's right, title and interest in and to the call letters, trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, jingles, logos and slogans, or licenses to use same, relating to the Stations, including but not limited to those described on Schedule 1.1.4 attached hereto, together with any and all associated goodwill and any other general intangibles (the "Intangible Personal Property") and any additions thereto between the date hereof and the Closing Date;

1.1.5 All easements, licenses, rights of access, rights of way, improvements and other real property interests used and/or useful in the operations of the Stations, including but not limited to those interests which are described on Schedule 1.1.5 attached hereto;

1.1.6 All books, files, records and logs relating to the conduct of the Stations' business and the operation of the Stations (collectively the "Stations Records"). For three years following Closing, Seller shall have reasonable access to such books, files, records and logs for inspection and duplication at Seller's expense during normal business hours, and to the originals, if required, for the purposes of bookkeeping, tax return preparation and accounting procedures, and for such other purposes as may be customary or reasonably necessary;

1.2 Liens. Subject to Section 1.3 hereof and except for any liens described in Assumed Contracts set forth in Schedule 1.1.3, the Stations Assets shall be transferred to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, or other liens, liabilities and encumbrances whatsoever (collectively, the "Liens").

1.3 Excluded Assets. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Stations Assets shall not include the following assets along with all rights, title and interest therein which shall be referred to as the "Excluded Assets":

1.3.1 All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in banks and accounts receivable;

1.3.2 All contracts that have terminated or expired prior to the Closing Date in the ordinary course of business and as permitted hereunder;

1.3.3 All other contracts of Seller, including employment contracts, whether written or oral, not assumed by Buyer pursuant to the terms of Section 2.1 hereof;

1.3.4 All pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any maintained by Seller;

1.3.5 All contracts of insurance and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date; and

1.3.6 All land and buildings described in Schedule 1.3.6, the "Lease Property", which land and buildings will be leased by Seller to Buyer pursuant to Article 16 below.

1.3.7 All other Excluded Assets described on Schedule 1.3.7 attached hereto.

ARTICLE 2 ASSUMPTION OF OBLIGATIONS

2.1 Assumption of Obligations. Subject to the provisions of this Section 2.1, Section 2.2 and Section 3.4, on the Closing Date, Buyer shall assume and undertake to pay, satisfy or discharge the liabilities, obligations and commitments of Seller arising or to be performed on or after the Closing Date under (i) the Assumed Contracts and (ii) any other contracts entered into between the date hereof and the Closing Date which Buyer may in its sole discretion expressly agree in writing to assume. All of the foregoing liabilities and obligations shall be referred to herein collectively as the "Assumed Liabilities."

2.2 Retained Liabilities. Except as set forth in Section 2.1 hereof, Buyer expressly does not, and shall not, assume or be deemed to assume any other liability, obligation, commitment, undertaking, expense or agreement of Seller of any kind or nature, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. Except as set forth in Section 2.1 hereof, Seller shall retain any other liability, obligation, commitment, undertaking, expense or agreement of Seller of any kind or nature, absolute or contingent, known or unknown, which shall be referred to herein collectively as the "Retained Liabilities."

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price. Subject to certain adjustments pursuant to Section 3.2 below, the purchase price for the transfer of the Stations Assets from Seller to Buyer shall be Nine Hundred Thousand Dollars (\$900,000.00) (the "Purchase Price").

3.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

3.2.1 Upon execution of this Asset Purchase Agreement, Buyer shall make a deposit of Forty Five Thousand Dollars (\$ 45,000.00) payable to "J. R. Lipscomb, Trust Account" (the "Deposit") for the Buyer's faithful performance. J. R. Lipscomb shall hold said Deposit in trust to be applied or paid as provided in this Asset Purchase Agreement.

3.2.2 At Closing, Buyer shall pay to Seller the remaining Purchase Price of Eight Hundred Fifty-Five Thousand Dollars (\$855,000.00), by wire transfer of immediately available funds, plus or minus any adjustments to be made pursuant to Section 3.4 hereof.

3.3 Allocation of Purchase Price. The parties shall agree to an allocation of the Purchase Price among the Stations Assets prior to Closing.

3.4 Pro-ration of Income and Expenses. Except as otherwise provided herein, on the Closing Date, there shall be prorated all payments of rent, utilities, insurance, and all operating expenses of the Stations so that Seller shall be responsible for all expenses incurred prior to the Closing Date and Buyer for all expenses incurred thereafter. Except as expressly provided in this Agreement, Buyer shall not be liable for any other expenses in connection with the transactions contemplated by this Agreement.

**ARTICLE 4
GOVERNMENTAL CONSENTS**

4.1 FCC Consent. It is specifically understood and agreed by Buyer and Seller that the Closing and the assignment of the FCC Licenses and the transfer of the Stations Assets are expressly conditioned on and are subject to the prior consent and approval of the FCC ("FCC Consent") without the imposition of any conditions on the assignment of the FCC Licenses which are materially adverse to Buyer or Seller.

4.2 FCC Application. As soon as reasonably possible after execution of this Agreement, Seller and Buyer shall file with the FCC an application for assignment of the FCC Licenses (the "Assignment Application") from Seller to Buyer. Seller and Buyer shall thereafter prosecute the grant of the Assignment Application as expeditiously as practicable. If the FCC Consent imposes any condition on either party hereto, such party shall use its best 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 upon it. If reconsideration or judicial review is sought with respect to the FCC consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that nothing in this Section 4.2 shall be construed to limit either party's right to terminate this Agreement pursuant to Article 15 hereof. Provided Seller is not in default under the terms of this Asset Purchase Agreement, Seller shall not be required to incur any costs associated with the FCC Application, Reconsideration by the FCC and/or Judicial Review of the actions of the FCC; except the application fee, which shall be paid equally by both parties. In the event Seller is in default under the terms of this Asset Purchase Agreement, the Seller shall be required to incur such costs as may be reasonably necessary to cure such default.

**ARTICLE 5
CLOSING**

5.1 Closing. The closing of the transactions contemplated herein (the "Closing") shall occur within thirty (30) business days after the FCC Consent shall have been given and becomes a Final Order (the "Closing Date"), but in no event before January 1, 2004. A "Final Order" as to the FCC means an action of the FCC approving the Assignment Application which is no longer subject to reconsideration or review by the FCC or any court or other governmental authority. The Closing shall be held at the offices of the Stations, or at such place as the parties hereto may agree.

**ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby makes the following representations and warranties to Seller, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

6.1 Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi.

6.2 Authorization and Binding Obligation. Buyer's execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary action on its part and upon the obtaining of all necessary approvals of the transactions contemplated by this Agreement, this Agreement will constitute, and the other agreements to be executed in connection herewith will constitute, the valid and binding obligation of Buyer enforceable in accordance with their terms.

6.3 Absence of Conflicting Agreement. The execution, delivery and performance of this Agreement by Buyer: (a) will not conflict with, result in a breach of, or constitute a violation of or default under the provisions of Buyer's articles of incorporation or by-laws; and (b) will not, 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 agreement or instrument to which Buyer is subject.

6.4 FCC Qualifications. To the best of Buyer's knowledge, it is qualified under the Communications Act of 1934, as amended, and under the rules and regulations of the FCC, to become the holder of the Stations Licenses.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby makes the following representations and warranties to Buyer, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

7.1 Organization and Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi.

7.2 Authorization and Binding Obligation. Seller's execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary action on its part and upon the obtaining of all necessary approvals of the transactions contemplated by this Agreement, this

Agreement will constitute, and the other agreements to be executed in connection herewith will constitute, the valid and binding obligation of Seller enforceable in accordance with their terms.

7.3 Absence of Conflicting Agreement. The execution, delivery and performance of this Agreement by Seller: (a) will not conflict with, result in a breach of, or constitute a violation of or default under the provisions of Seller's articles of incorporation or by-laws; (b) will not conflict with, result in a breach of, or constitute a violation of or default under, any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which it or the Stations Assets are bound; (c) will not, 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, instrument, license or permit to which Seller or the Stations Assets is now subject; and (d) will not result in the creation of any lien, charge or encumbrance on any of the Stations Assets.

7.4 Standing. Seller has the power and authority to own, lease and operate the Stations Assets and to carry on the business of the Stations as proposed to be conducted by Seller between the date hereof and the Closing Date.

7.5 Government Authorizations. Schedule 1.1.1 hereto contains a true and complete list of the Stations Licenses which are required for the lawful conduct of the business and operation of the Stations in the manner and to the full extent they are proposed to be conducted by Buyer. Seller is the authorized legal holder of the Stations Licenses listed in Schedule 1.1.1. The Stations Licenses listed in Schedule 1.1.1 are in good standing, in full force and effect and sufficient for the operation of the Stations as presently operated by Seller. The operation of the Stations is in accordance with the Stations Licenses and the underlying construction permits. No proceedings are pending or threatened, nor, to Seller's knowledge, do any facts exist which may result in the revocation, modification, non-renewal or suspension of any of the Stations Licenses, the issuance of any cease and desist order, the imposition of any administrative actions by the FCC with respect to the FCC Licenses or which may affect Buyer's ability to operate the Stations in accordance with the Stations Licenses and the FCC's rules.

7.6 Tangible Personal Property. Schedule 1.1.2 hereto contains a list of all material tangible personal property owned, leased or held by Seller and used and/or useful in the conduct of the business and operation of the Stations. The Tangible Personal Property is all of the tangible personal property necessary to operate the Stations in the manner in which it is presently authorized to operate. Seller owns and has, and will have on the Closing Date, good and marketable title to all

of the Tangible Personal Property (and to all other tangible personal property and assets to be transferred to Buyer hereunder), and none of such property at the Closing will be subject to any security interest, mortgage, pledge, or other lien or encumbrance. To Seller's knowledge, all of the items of the Tangible Personal Property are in good repair and normal operating condition (ordinary wear and tear excepted) and are available for immediate use in the conduct of the business and operation of the Stations.

7.7 Contracts. Schedule 1.1.3 hereto contains a list of all of the agreements, leases and other contracts to which the Stations and Seller is a party or by which, as of the date hereof, the Stations and Seller may be bound or obligated in any way which affect the Stations or which are required to operate the Stations in the manner in which it is now being operated (the "Contracts"). Seller has provided Buyer with a complete copy of all of the Contracts. All of the Contracts are valid, binding and enforceable by Seller in accordance with their respective terms. Seller is not in material breach or default thereof, there is no claim of breach or default, and Seller has no knowledge of any act or omission which has occurred or which has been threatened which could result in a breach or default thereof. Prior to Closing, Seller shall have obtained the consent of all persons required to consent to the assignment of the Contracts and no Assumed Contracts requires the consent of a third party to assignment which have not been obtained prior to Closing.

7.8 Intangible Personal Property. Schedule 1.1.4 hereto contains a list of all intangible personal property applied for, issued to or owned by the Seller or under which Seller is a licensee and used in the conduct of the business and operation of the Stations referred to in Section 1.1.4 (but excluding those included in the Excluded Assets and referred to in Section 1.3). Seller has the right to use all of such property and such use does not infringe on or violate any other party's rights.

7.9 Real Property. Schedule 1.1.5 hereto together with the property described in Schedule 1.3.6 (the "Real Property") contains a list of all real property owned, leased or held by Seller and used and/or useful in the conduct of the business and operation of the Stations. The Real Property is all of the real property necessary to operate the Stations in the manner in which it is presently authorized to operate. Seller owns and has, and will have on the Closing Date, good and marketable title to all of the Real Property, including the Lease Property, and none of such property at the Closing will be subject to any security interest, mortgage, pledge, or other lien or encumbrance.

7.10 Taxes. Seller has filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns required by law and has paid in full all taxes, estimated taxes, interest, assessments, and penalties due and payable. All returns and

forms which have been filed have been true and correct in all material amount other than as shown on such returns and forms are required to be paid and have been paid by Seller.

7.11 Environmental. To the best of Seller's knowledge, (i) Seller has not lawfully and/or unlawfully disposed of any hazardous waste or hazardous substance including Polychlorinated Biphenyl's (PCBs) at the Real Property of the Stations, (ii) the technical equipment included in the Stations Assets does not contain any PCBs, (iii) there are no underground tanks at the Real Property of the Stations and (iv) there is no asbestos insulation or other asbestos-containing materials at the Real Property of the Stations. As used herein, the term "hazardous wastes" shall mean as defined in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq., as amended, and in the equivalent state statute under Mississippi law.

7.12 Employee and Labor Relations.

7.12.1 Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to equal opportunity employment, wages, hours, collective bargaining, unemployment insurance, workers' compensation and payment and withholding of taxes in connection with the operation of the Stations.

7.12.2 Seller is not a party to any contract with any labor organization, nor has Seller agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees. Seller has no knowledge of any organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of Seller.

7.12.3 Seller has not promised to any employee of the Stations that Buyer will be hiring any such employee or otherwise made any offer of employment to any employee of the Stations on behalf of Buyer. All employees of the Stations shall be terminable, without liability to Buyer, on and as of the Closing Date. Buyer will have no liability to any present or past employee of the Stations for retirement, pension, bonus, termination, vacation, or other pay, or for hospitalization, major medical, life or other insurance or other employee benefits.

7.13 Litigation. Except as set forth in Schedule 7.13, there is no litigation or proceeding or investigation pending or threatened against Seller or the Stations in any federal, state or local court, or before any administrative agency or arbitrator or before any other tribunal duly authorized to resolve disputes. Without limiting the generality of the foregoing, Seller has made all filings and paid all fees required by the

FCC with respect to the Stations, and Seller has maintained the local public inspection files for the Stations in full compliance with FCC requirements, and there is not now pending or threatened any investigation, notice of investigation, inquiry, violation, notice of violation, order, complaint, action, review or other proceeding by or before the FCC to impose sanctions against the Stations or to cancel, revoke, refuse to renew, or to modify the FCC licenses.

7.14 Compliance with Law. The operation of the Stations and all of the Stations Assets are in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including the Communications Act of 1934, as amended and all rules and regulations issued thereunder.

ARTICLE 8 COVENANTS OF SELLER

Seller covenants and agrees with respect to the Stations that, between the date hereof and the Closing Date, except as expressly permitted by this Agreement or with the prior written consent of Buyer, it shall act in accordance with the following:

8.1 Seller shall conduct the business and operation of the Stations in an ordinary and prudent course of business.

8.2 Seller shall operate the Stations in material accordance with FCC rules and regulations and the Stations Licenses and with all other laws, regulations, rules and orders.

8.3 Seller shall give or cause the Stations to give Buyer and Buyer's representatives, at Buyer's reasonable request, full and reasonable access to all of Seller's personnel, properties, books, contracts, reports and records, buildings and equipment relating to the Stations.

8.4 Seller shall not cause or permit by any act, or failure to act, any of the Stations Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the Stations Licenses.

8.5 Seller shall not: (i) enter into any commitment for capital expenditures for which Buyer would be liable after the Closing Date; (ii) enter into any contract or commitment in relation to the Stations' business or employees to which Buyer will be bound or which will adversely affect Buyer's operation of the Stations following the Closing other than agreements cancelable without penalty prior to the Closing Date.

8.6 Seller shall promptly notify Buyer of (a) any inquiries from, and correspondence or other communications with, the FCC; (b) any material change with respect to the business or operation of the Stations; and (c) any material change in any of the information in Seller's representations and warranties hereunder or any Exhibits or Schedules hereto.

8.7 Seller shall maintain its policy or policies of insurance insuring against property damage to the buildings and structures maintained on the Lease Property and all other tangible assets of the Station, which policy or policies shall be for the fair market value of the assets insured and in no event less than \$150,000.00.

ARTICLE 9 JOINT COVENANTS

Buyer and Seller covenant and agree that between the date hereof and the Closing Date, they shall act in accordance with the following:

9.1 Conditions. If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties hereto shall use their best efforts to cure the event as expeditiously as possible.

9.2 Cooperation. Buyer and Seller shall cooperate fully with one another in taking any actions, including actions to obtain the required consent of any governmental instrumentality or any third party necessary or helpful to accomplish the transactions contemplated by this Agreement; provided, however, that no party shall be required to take any action which would have a material adverse effect upon it. Prior to the closing Date, Buyer shall not directly or indirectly control, supervise, or direct, or attempt to control, supervise, or direct, the operations of the Stations.

ARTICLE 10 CONDITIONS OF CLOSING BY BUYER

The performance of the obligations of Buyer hereunder are subject to the satisfaction of each of the following express conditions precedent, provided that Buyer may, at its election, waive any of such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date:

10.1 Representations, Warranties and Covenants.

10.1.1 All representations and warranties of Seller contained herein or in any Schedule or document delivered pursuant hereto,

shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date, except for changes expressly permitted or contemplated by the terms of this Agreement.

10.1.2 All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to Closing Date shall have been complied with or performed in all material respects.

10.2 Governmental Consents. The conditions specified in Sections 4.1 and 4.2 of this Agreement shall have been satisfied.

10.3 Governmental Authorizations. Seller shall be the holder of the Stations Licenses and all other material licenses, permits and other authorizations listed in Schedule 1.1.1, and there shall not have been any modification of any of such licenses, permits and other authorizations which has a material adverse effect on the Stations or the conduct of its business and operation. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or modify materially and adversely the Stations Licenses or have a material adverse effect on the Stations or the conduct of its business and operation.

10.4 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

10.5 Closing Deliveries. Seller shall have delivered or caused to be delivered to Buyer, on the Closing Date, each of the documents required to be delivered by Seller pursuant to Article 13.

10.7 No Material Adverse Change. Since the date of this Agreement, there shall not have occurred, whether or not within Seller's control, any material adverse change in the Stations Assets.

10.8 Liens. The Stations Assets shall be free and clear of all Liens.

10.9 Third-party Consents. Seller has obtained any necessary third party consents to assignments of the Assumed Contracts to Buyer and Seller has provided to Buyer the original(s) or copies of such consents.

10.10 Cancellation of Contract. Seller has obtained the cancellation of Jones Radio Networks Affiliation Agreement dated November 8, 2001, by and between Jones Radio Networks, Inc. and Bob McRaney Enterprises, Inc.

ARTICLE 11
CONDITIONS OF CLOSING BY SELLER

The performance of the obligations of Seller hereunder are subject to the satisfaction of each of the following express conditions precedent, provided that Seller may, at its election, waive any of such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date:

11.1 Representations, Warranties and Covenants.

11.1.1 All representations and warranties of Buyer made in this Agreement or in any Schedule or document delivered pursuant hereto shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date, except for changes expressly permitted or contemplated by the terms of this Agreement.

11.1.2 All of the terms, covenants and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

11.2 Governmental consents. The conditions specified in Sections 4.1 and 4.2 of this Agreement shall have been satisfied.

11.3 Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no other, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which would render it unlawful, as of the Closing date, to effect the transactions contemplated by this Agreement in accordance with its terms.

11.4 Closing Deliveries. Buyer shall have delivered or caused to be delivered to Seller, on the Closing Date, the Purchase Price and each of the documents required to be delivered by Buyer pursuant to Article 13.

ARTICLE 12
TRANSFER TAXES; FEES AND EXPENSES

12.1 Expenses. Except as set forth in this agreement, each party hereto 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.

12.2 Transfer Taxes: Governmental Filing Fees. Buyer and Seller shall share equally the cost of the FCC filing fee for the Assignment Application. Buyer shall pay the cost for any real property recording fees and the cost of any survey and certificate of title required under this Agreement.

ARTICLE 13 CLOSING DELIVERIES

13.1 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

13.1.1 Lease Agreement, Bill of Sale and Assignment, Assignment of FCC License, Assignment of Intangible Assets, Assignment of Agreements, and Assignment of Stations Records, all substantially in the form of Exhibits "A"- "F" hereto, as well as deeds, consents and other good and sufficient instruments of conveyance, transfer and assignment, in form and substance reasonably satisfactory to counsel for Buyer, as shall be effective to vest in Buyer or its permitted assignees, good and marketable title in and to the Stations Assets transferred pursuant to this Agreement in accordance with the terms of this Agreement;

13.1.2 The Stations Records, including the originals or copies of all program, operations, transmissions, EAS or maintenance logs and all other records required to be maintained by the FCC with respect to the Stations, including the Stations' public file, shall be left at the Stations and thereby delivered to Buyer;

13.1.3 A Shareholder's Warranty, dated the Closing Date, and substantially in the form of Exhibit "G";

13.1.4 A certificate, dated the Closing Date, and substantially in the form of Exhibit "H", of the Secretary of Seller certifying as to the resolutions of the Board of Directors of Seller approving the execution and delivery of this Agreement and each of the other documents and agreements referred to herein and authorizing the consummation of the transactions contemplated hereby and thereby; and

13.1.5 A certificate, dated the Closing Date, and substantially in the form of Exhibit "I", by Seller's attorney certifying as to authority of the Seller to complete the transaction.

13.1.6 Such additional information and materials as Buyer shall have reasonably requested.

13.2 Buyer's Deliveries. At the Closing, Buyer shall deliver or

cause to be delivered to Seller the following:

13.2.1 The Purchase Price as described in Article 3 hereof;

13.2.2 Lease Agreement substantially in the form of Exhibit "A". A certificate, dated the Closing Date, and substantially in the form of Exhibit "J", of the Secretary of Buyer certifying as to the resolutions of the Board of Directors of Buyer approving the execution and delivery of this Agreement and each of the other documents and agreements referred to herein and authorizing the consummation of the transactions contemplated hereby and thereby; and

13.2.3 Such additional information and materials as Seller shall have reasonably requested.

ARTICLE 14 INDEMNIFICATION

14.1 Seller's Indemnities. Seller hereby agrees to indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorney's fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of:

14.1.1 The breach by Seller of any of its representations or warranties, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement and the subsequent Lease Agreement;

14.1.2 The Retained Liabilities;

14.1.3 Any and all claims, liabilities or obligations of any nature, absolute or contingent, relating to the business and operation of the Stations prior to the Closing Date;

14.1.4 A claim by any person or entity based on any arrangement or agreement to pay a commission, finder's fee or similar payment in connection with this Agreement made or alleged to have been made by Seller.

14.2 Buyer's Indemnities. Buyer hereby agrees to indemnify, defend and hold harmless Seller with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of:

14.2.1 The breach by Buyer of any of its representations,

warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement and the subsequent Lease Agreement;

14.2.2 The Assumed Liabilities;

14.2.3 Any and all claims, liabilities or obligations of any nature, absolute or contingent, relating to the business and operation of the Stations as conducted by Buyer on and after the Closing date; and

14.2.4 A claim by any person or entity based on any arrangement or agreement to pay a commission, finder's fee or similar payment in connection with this Agreement made or alleged to have been made by Buyer.

14.3 Survival of Representations and Warranties. The representations and warranties contained herein, including but not limited to those set forth in Article 6 and Article 7, shall survive the Closing for a period of three (3) years following the Closing Date.

ARTICLE 15 TERMINATION RIGHTS

15.1 Termination.

15.1.1 This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

15.1.1.1 if any condition set forth herein to the obligations of the party seeking to terminate has not been satisfied or waived on or prior to the Closing Date; or

15.1.1.2 if the FCC denies the Assignment Application and such denial becomes a Final Order; or

15.1.1.3 if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or

15.1.1.4 if the Closing has not occurred within eighteen months after the date on which the Assignment Application is accepted for filing by the FCC; or

15.1.1.5 if there is a material default by the other party.

15.1.2 This Agreement may be terminated by mutual agreement of the parties hereto.

15.1.3 This Agreement may be terminated by Buyer in the event the Stations Assets are materially damaged or destroyed.

15.2 Liability. The termination of this Agreement under Section 15.1 shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

ARTICLE 16 LEASE OF STUDIO BUILDING

16.1 Property description. Seller owns certain real property on which the Stations' studios and the tower are located. The address of such property is 413 North Forest St., West Point, Mississippi 39773, which property is more fully described on Schedule 1.3.6, the Lease Property.

16.2 Title Opinion and Survey. Prior to Closing Date, Buyer shall cause to be obtained and delivered at Buyer's cost a title certificate on and survey of the Lease Property. Said title certificate and survey shall be performed by an attorney and surveyor, respectively, acceptable to Buyer and shall show the Lease Property to be owned in fee simple by Seller and to be free and clear of all liens and encumbrances. In the event the Lease Property is shown to be subject to liens and/or encumbrances to which Buyer objects, the Seller shall take such steps as may be reasonably necessary to cure or remove such liens and/or encumbrances.

16.3 Lease Agreement. As additional consideration for the purchase of the Stations by Buyer, Seller agrees to lease said property to Buyer upon the terms set forth in the Lease Agreement attached hereto as Exhibit "A".

ARTICLE 17 MISCELLANEOUS PROVISIONS

17.1 Breach: Seller and Buyer each recognize and acknowledge that, in the event Seller shall fail to perform its obligations to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Seller and Buyer, therefore, each agree and acknowledge that, in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled, in addition to any action for monetary damages, and in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby.

If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law. Further, Seller and Buyer each recognize and acknowledge that, in the event Buyer shall fail to perform its obligations to consummate the transaction contemplated hereby, money damages will be incurred by Seller but will be impossible to calculate. Seller and Buyer, therefore, each agree and acknowledge that, in the event of Buyer's failure to perform its obligation to consummate the transaction contemplated hereby, Seller shall be entitled to the entire deposit of \$45,000.00 as liquidated and agreed damages.

17.2 Risk of Loss. The risk of loss or damage to any of the Stations Assets prior to the Closing Date shall be upon Seller. In consultation with Buyer (in the event Buyer does not terminate this Agreement pursuant to Section 15.1.3), Seller shall repair, replace and restore any such damaged or lost Stations Asset to its prior condition as soon as possible and in no event later than the Closing Date, provided however, that Seller's obligation to repair, replace and/or restore the buildings and/or structures maintained on the Lease Property and/or other tangible assets of the Station shall be limited to Seller's property insurance on such assets.

17.3 Further Assurances. After the Closing, Seller shall from time to time, at the request of and expense to Buyer, execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby to vest in Buyer good and marketable title to the assets being transferred hereunder, and Buyer shall from time to time, at the request of and expense to Seller, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively relieve Seller of any obligations being assumed by Buyer hereunder.

17.4 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Either party may assign its interest under this Agreement to any person or entity with the prior written consent of the other party, which consent shall not be unreasonably withheld.

17.5 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

17.6 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 principles thereof.

17.7 Notices. All notices, elections and other communications

permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) days after deposit with the U. S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

To Seller:
BOB MCRANEY ENTERPRISES, Inc.
Attn: Robert McRaney, Jr., President
75 Dickerson Lane
Columbus, MS 39705

With a copy (which shall not constitute notice) to:
J. Randolph Lipscomb, Esq.
223 Sixth Street North
Columbus, MS 39701

To Buyer:
TeleSouth Communications, Inc.
6311 Ridgewood Road
Jackson, MS 39211
Attention: Stephen C. Davenport

With a copy (which shall not constitute notice) to:

Ellen Mandell Edmundson, Esq.
Edmundson & Edmundson
1818 N Street N.W. - Suite 700
Washington D.C. 20036

17.8 Counterparts. This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document.

17.9 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

17.10 Severability. The parties agree that 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; provided, however, that if the removal of the offending provision or provisions materially alters the burdens or benefits of either party, the parties agree to negotiate in good faith such modifications to this Agreement as are appropriate to insure the burdens and benefits of each party are reasonably comparable to those originally contemplated and expected.

17.11 Amendments and Waivers. No amendment, waiver of compliance with any provision or condition 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 any waiver, amendment, change, extension or discharge is sought and such amendment and/or waiver of compliance is approved by the FCC to the extent required by law.

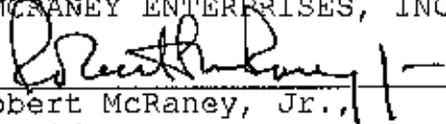
17.12 Entire Agreement. This Agreement and the Schedules attached hereto and the ancillary documents provided for herein, embody the entire agreement and understanding of the parties hereto relating to the matter provided for herein and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

17.13 Attorneys' Fees. In the event of commencement of suit by either party to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive attorneys' fees and costs of collection as the court in which such suit is brought may adjudge reasonable in addition to all other relief granted.

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

SELLER:

BOB MCRAANEY ENTERPRISES, INC.

By: 
Robert McRaney, Jr.,
President

BUYER:

TELESOUTH COMMUNICATIONS, INC.

By: 
Stephen Charles Davenport,
President

SCHEDULE 1.1.1

TO

ASSET PURCHASE AGREEMENT

Licenses to be transferred:

1. FCC Broadcast License to WKBB(FM)
2. FCC Broadcast License to WROB(AM)
3. All STL and Marti licenses used by the Stations.
4. C3 Construction Permit for WKBB(FM)

SCHEDULE 1.1.4

TO

ASSET PURCHASE AGREEMENT

Intangible Personal Property:

1. Use of the names and/or phrases: WKBB, WKBB (FM), WROB, WROB (AM).