

ASSET PURCHASE AND SALE AGREEMENT

ASSET PURCHASE AND SALE AGREEMENT

between

Graham Broadcast Company, Inc. (Seller)

and

Clark County Broadcasting, Inc. (Buyer)

in regard to

**Radio Stations
KDEL (FM) and KVRC (AM)
Arkadelphia, Arkansas**

ASSET PURCHASE AND SALE AGREEMENT

This Asset Purchase And Sale Agreement (the "Agreement") is executed effective as of May 1, 2002 by and between Graham Broadcast Company, Inc., an Arkansas Corporation (the "Seller"), and Clark County Broadcasting, Inc., an Arkansas Corporation (the "Buyer").

WITNESSETH:

WHEREAS, the Seller holds licenses issued by the Federal Communications Commission (the "FCC") for the operation of Radio Stations KDEL (FM) and KVRC (AM) licensed to Arkadelphia, Arkansas (the "Stations"); and is the owner of certain assets used and useful in the operation of the Stations; and

WHEREAS, upon the terms and subject to the conditions contained herein, the Seller desires to sell to the Buyer and the Buyer desires to purchase all of the assets used in connection with or otherwise associated with the Stations and excluding only those assets expressly excluded herein;

NOW THEREFORE, for value received, the receipt and adequacy of which are hereby acknowledged, and in exchange for the mutual promises, covenants and other agreements contained herein, the parties hereto, intending to be legally bound, agree as follows:

1. Definitions. Certain of the capitalized terms used in this Agreement shall have the following meanings, unless the context otherwise specifically requires:

(a) "Agreement" shall mean and refer to this Asset Purchase And Sale Agreement;

(b) "Assets" shall mean the tangible and intangible assets which are owned by the Seller and used in connection with the conduct of the business or operation of the Station as specified in Section 2 hereof;

(c) "Closing" shall mean the event occurring on the Closing Date when the transaction contemplated by this Agreement is consummated and title to the Assets is transferred by the Seller to the Buyer pursuant to the terms hereof;

(d) "Closing Date" shall mean a date which is not more than five (5) days following the Final Approval of the transfer of the License to the Buyer by the FCC, or such other date mutually acceptable to the parties;

(e) "Excluded Assets" shall mean and refer to cash on hand and all other cash in any of Seller's bank or savings accounts, securities or similar type investments, the corporate books and records of the Seller and all pension, health insurance and other employee benefit plans maintained by the Seller for the benefit of the Seller's employees at the Stations;

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(f) "Final Approval" shall mean and refer to an action by the Federal Communications Commission as to which: (i) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (ii) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition for rehearing or reconsideration, or application has passed; (iii) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (iv) no appeal to a court, or request for a stay by a court, of the FCC's action is pending or in effect, and the deadline for filing any such appeal or request has passed.

(g) "Licenses" shall mean and refer to all licenses, permits and other authorizations issued by the FCC in conjunction with the business or operations of the Stations.

2. Purchase and Sale of Assets. Upon the terms and subject to the conditions contained herein, the Seller agrees to sell, assign, transfer and deliver to the Buyer on the Closing Date all of the Assets free and clear of any claims, liabilities, mortgages, liens, conditions or encumbrances of any nature whatsoever, except for those permitted in accordance with this Agreement, and the Buyer agrees to purchase, acquire and accept from the Seller all of the assets, other than the Excluded Assets, used in connection with, or otherwise associated with the Stations (collectively the "Assets"), including without limitation, the following:

(a) All of the Seller's equipment, furniture, tower, transmission line, and inventory used in the operation of the Stations as described in Exhibit A;

(b) The real property used in the operation of the Stations as described in Exhibit B, and all improvements and fixtures thereon;

(c) The Accounts Receivable of the Seller as of the Closing Date as described in Exhibit C;

(d) All Licenses and Permits held by the Seller used in conjunction with the Stations as listed in Exhibit D;

(e) Contracts and Agreements that are to be assumed by the Buyer as listed in Exhibit E.

3. Purchase Price and Escrow Account. As total consideration for the assignment and transfer of the Assets, the Buyer will deliver to the Seller at the Closing the sum of Four Hundred Thousand Dollars (\$400,000) which shall be paid by cashiers check or wire transfer of immediately available funds on the Closing Date. Upon Closing, the Escrow Account established by the Buyer on the date of execution of this Agreement in the principal amount of Fifteen Thousand Dollars (\$15,000) shall be

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released to the Buyer together with any and all interest earned. In the event that the transaction contemplated by this Agreement does not Close due to the Buyer's failure to perform any covenant or condition set forth herein and the Seller is not in default, the Seller shall be entitled to all funds in the Escrow Account. In addition thereto, either party may seek all remedies available at law and equity for the breach of this Agreement by the other party.

4. Interim Operation of the Radio Stations. The Seller does hereby agree to continuously maintain the operations of the Radio Stations to the best of Seller's ability until the Closing Date. The Buyer and the Seller acknowledge that the Seller's Accounts Receivable as of the Closing Date represent an Asset that will be transferred to the Buyer. Accordingly, between the date hereof and the Closing Date, the Seller shall operate the Stations in the ordinary course of business consistent with commercially reasonable practices and use its best effort to maintain its existing business relations with advertisers on its customary terms and practices.

5. Liabilities Not Assumed. The parties acknowledge and agree that the Buyer shall neither assume nor take any of the Assets subject to any liability, debt or other obligation of the Seller, accrued or not accrued, fixed, contingent or otherwise in connection with the transactions contemplated by this Agreement, other than the obligations of certain contracts and agreements specifically listed in Exhibit E. The Buyer shall not assume any of the Seller's trade liabilities except for trade agreements expressly assumed by the Buyer as shown in Exhibit E. The Buyer and shall have no obligation with respect to any of the Seller's creditors, and the Seller will hold the Buyer harmless from all existing Seller debts. The Buyer shall have no obligation to any employee of the Seller.

6. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer as follows:

(a) Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Arkansas. The Seller has all requisite corporate power and authority to carry on its business as presently conducted, and to enter into and perform its obligations under this Agreement.

(b) Authorization. The execution, delivery and performance of this Agreement by the Seller and the consummation by the Seller of the transaction contemplated hereby, has been duly authorized by all necessary action on the part of the Seller, its Board of Directors and stockholders. A true and correct copy of a joint resolution by Seller's Board of Directors and Stockholders approving this transaction shall be delivered at Closing.

(c) No Conflicts. Neither the execution nor delivery by the Seller of this Agreement, or any of Seller Documents, nor the consummation by Seller of the transactions contemplated hereby or thereby, will result in any breach of or constitute a default (or with notice or lapse of time or both would become a

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default) under the terms of any contract, instrument or other agreement applicable to any of the Assets, or to which the Seller is a party or is otherwise bound, or any judgment, decree or order to which the Seller or any of the Assets is subject.

(d) Binding Effect. This Agreement is, and upon execution and delivery, each of the Seller Documents will be, the valid and legal and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms.

(e) No Consents. Except with respect to the assignment of the Licenses of the Stations and certain of the contracts and agreements described in Exhibit E, no consent or approval of, or declaration, filing or registration with any governmental agency or other third party is necessary or otherwise required in connection with the execution, delivery or performance of this Agreement by the Seller or with respect to the consummation by the Seller of the transaction contemplated hereby.

(f) Title. The Seller owns, beneficially and of record, all of the Assets, and has and will convey to the Buyer on the Closing Date, good, marketable and valid title to the Assets, free and clear of all liens, claims, encumbrances and adverse rights or interests whatsoever.

(g) No Undisclosed Liabilities. Except as otherwise expressly disclosed in this Agreement, the Seller has no debts, liabilities or obligations of any nature (whether accrued or not accrued, fixed, contingent or otherwise), which would effect the conveyance of the Assets to the Buyer pursuant to the terms hereof or the Buyer's operation of the Stations following the Closing Date. The Station is operating and will be operating upon the Closing Date in material compliance with the terms and conditions of its FCC Licenses.

(h) Litigation. Except expressly disclosed to the Buyer in writing, there is no litigation, action, suit, claim, proceeding, inquiry or investigation pending or, to the knowledge of the Seller, threatened against the Seller or otherwise relating to or affecting any of the Assets. The Seller knows of no basis or grounds for any such suit, action, claim, inquiry, investigation or proceeding. There is no outstanding order, writ, injunction or decree of any court, governmental agency or arbitration tribunal against or affecting the Seller or any of the Assets.

(i) Contracts. Set forth in Exhibit E is a true, correct and complete list of all material contracts and agreements which are to be assumed by the Buyer and which relate to the operation of the Assets and the operation of the Stations. Each is valid and in full force and effect, and a true and complete copy is attached.

(j) Tax Matters. All tax returns and reports of any nature relating to the Stations or the Assets will be timely and properly filed with the appropriate governmental

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agency and all taxes required by law to be paid by the Seller have been or will be paid prior to Closing.

(k) Brokers. The Seller has not engaged the services of any broker in connection with this Agreement and has not taken any action which would give rise to a valid claim for a brokerage commission, finder's fee, advisory fee, or like payment from any other persons or entities.

(l) Condition of the Assets. The Seller agrees that the Assets will be delivered at Closing in relatively the same condition as on the date of this Agreement.

(m) Disclosure. All facts material to the Assets and the Stations have been disclosed herein. No representation or warranty made by the Seller in this Agreement, and no statement made by the Seller to the Buyer in connection with the transactions contemplated hereby, contains any untrue statement of a material fact, or omits to state any material fact necessary to make the statements herein or therein not misleading.

(n) Environmental Statement. All activities of the Stations or of the Seller with respect to the Stations have been and are being conducted in material compliance with all federal, state and local statutes, ordinances, rules, regulations and orders, as well as all requirements of common law concerning those activities, repairs or construction of any improvements, manufacturing processing and/or handling of any materials, and discharges to the air, soil, surface water or groundwater. The Seller has not generated, manufactured, refined, transported, stored, handled, disposed of or released any Hazardous Material, nor has the Seller or the Stations permitted the foregoing. The Seller has not received any notice of any violation of any Environmental Laws, and no action has been commenced or threatened regarding the Seller's compliance with any Environmental Laws.

(o) Employment Matters. Buyer shall have no obligation or liability due to or because of any past service liability, vested benefits, retirement plan insolvencies or other retirement plan or past employment obligation under local, state or federal law (including the Employee Retirement Income Security Act of 1974, as amended), resulting from the purchase of the Stations.

(p) Insurance. The Seller maintains insurance policies relating to the Stations and the Stations' Assets copies of which are attached as Exhibit F. All of such policies are in full force and effect, and the Seller is not in default of any material provision thereof. The Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

(q) FCC Qualifications. The Seller knows of no reason, fact or circumstances relating to the Seller which would cause the FCC to refuse or fail to grant its consent to the assignment of the Licenses to the Buyer.

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(r) Real Property. Exhibit B contains a true and complete description of all real property owned by Seller that is used or useful in connection with the operations of the Stations. Seller enjoys peaceful and undisturbed possession free and clear of all encumbrances with direct and unobstructed access to public utilities. To the best of Seller's knowledge: (i) there are no defaults, (ii) the property is in compliance with all applicable laws, including zoning, land use and building code laws, and (iii) the property is in compliance with all ordinances and regulations necessary to conduct the operation of the Stations as presently conducted.

(s) Ability To Perform. To its knowledge, the Seller is not in violation of any statute, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operation or assets, which violation would have a material adverse effect on the Stations or its Assets or on its ability to perform its obligations under this Agreement.

7. Representations and Warranties of the Buyer. The Buyer hereby represents and warrants to the Seller as follows:

(a) Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Arkansas. The Buyer has all requisite corporate power and authority to enter into and perform its obligations under this Agreement.

(b) Authorization. The execution, delivery and performance of this Agreement, by the Buyer and the consummation by the Buyer of the transaction contemplated hereby has been duly authorized by all necessary action on the part of the Buyer.

(c) No Conflicts. Neither the execution nor delivery by the Buyer of this Agreement or any of the Buyer Documents, nor the consummation by the Buyer of the transactions contemplated herein will result in any breach of or constitute a default (or with notice or lapse of time or both would become a default) under the terms of any contract, instrument or other agreement to which the Buyer is a party or is otherwise bound, or any judgment, decree or order to which the Buyer is subject.

(d) Binding Effect. This Agreement is, and upon execution and delivery each of the Buyer Documents will be the valid, legal, and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

(e) FCC Qualifications. The Buyer is qualified legally, financially and otherwise to become the licensee of the Stations and knows of no reason, fact or circumstances relating to the Buyer which would cause the FCC to refuse or fail to grant its consent to the assignment of the Licenses to the Buyer.

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(f) Brokers. Under arrangements the Seller has made with MGMT Services, that company will waive its customary brokerage fee in regard to this transaction. The Buyer has not engaged the services of any other broker in connection with this Agreement and has not taken any action which would give rise to a valid claim for a brokerage commission, finder's fee, advisory fee, or like payment from any other persons or entities.

(g) Condition of the Assets. The Buyer acknowledges that the Buyer has inspected all of the Assets to be transferred under the terms of this Agreement and is not relying upon any representations or statements of the Seller, or of any agent of the Seller, as to age or condition of the assets.

8. Covenants of the Buyer. The Buyer covenants and agrees with the Seller that prior to Closing the Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise or direct, the operations of the Stations, such operations, including complete control and supervision of all of the programs, employees and finances of the Stations, shall be the sole responsibility of the Seller until the consummation of the Closing hereunder.

9. Covenants of the Seller. The Seller covenants and agrees with the Buyer as follows:

(a) No Inconsistent Actions. Beginning on the date of this Agreement and continuing through the Closing Date, the Seller covenants and agrees that none of the Assets shall be sold, transferred or otherwise disposed of or encumbered or otherwise have any lien to be placed thereon and that it will not take any action which would be inconsistent with the provisions of this Agreement or any action that would be detrimental to the FCC's grant of the assignment of the licenses of the Stations to the Buyer.

(b) Consents. The Seller shall use its reasonable best efforts to obtain all necessary consents and approvals from the FCC and any other third parties required for consummation of the transactions contemplated by this Agreement.

(c) Notice of Litigation. The Seller will provide written notice to the Buyer of any litigation, judicial, administrative, arbitration or other proceeding or governmental investigation which, to the knowledge of the Seller, arises or is threatened or in prospect, after the date of this Agreement and prior to the Closing, against or relating to the Stations, the Assets, or the transactions contemplated by this Agreement, setting forth in such notice the facts and circumstances then currently available with respect thereto.

10. Application for Commission Consent and Approval. Notwithstanding anything to the contrary contained herein, the Buyer and the Seller acknowledge that the assignment of the Stations' Licenses to the Buyer is subject to the prior written consent of the FCC. In this regard within three (3) business days of the execution date of this

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Agreement, the Seller and the Buyer shall join in and file with the FCC Assignment Applications for transfer of the Licenses. The Buyer and the Seller will equally share the cost of the FCC filing fees. The parties will cooperate and take all steps necessary or proper to pursue the Assignment Applications diligently and expeditiously to a favorable conclusion. As used herein, the term "Assignment Applications" means the application, which the parties hereto will join in and file with the FCC requesting its written consent to the assignment of the Licenses from the Seller to the Buyer. In the event the FCC fails to grant approval, without material adverse conditions and for the full term, within twelve (12) months from the date the Assignment Applications are accepted for filing, either the Buyer or the Seller, if not in default, shall have the right to terminate this Agreement in which event the transactions contemplated herein will be considered void.

11. Closing.

(a) Time and Place. Except as otherwise provided herein, the Closing of the transactions contemplated by this Agreement shall take place at a mutually acceptable location on a mutually agreeable date following the FCC's grant of the Assignment Applications, but in no case later than five (5) days following the effective date of Final Approval of the transfer of the Licenses to the Buyer by the FCC. The Seller acknowledges that the Buyer has requested the Closing occur on or about August 1, 2002, and conditional upon receiving FCC grants prior to that date, the Seller agrees to cooperate in scheduling the Closing as requested by the Buyer.

(b) Deliveries at the Closing by the Seller. At the Closing the Seller shall deliver to the Buyer the following:

(i) A bill of sale and assignment evidencing the transfer of the Assets including free, clear, and insurable title to the real property in ordinary and customary form reasonably acceptable to the Buyer;

(ii) Assignment of the Licenses, to be assigned hereby, in ordinary and customary form reasonably acceptable to the Buyer;

(iii) A certificate, dated as of the Closing Date, executed by the President of the Seller, certifying that the representations and warranties of the Seller contained in this Agreement are true and complete in all material respects as of the Closing Date and that the Seller has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with prior to or on the Closing Date;

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(iv) A certified resolution of the Seller, and of its Stockholders to the extent required, approving the execution of this Agreement and the delivery of the closing documents provided for hereunder;

(v) Any document necessary to release to the Buyer the Escrow Account established in regard to this Agreement.

(vi) A detailed list of all of Seller's Accounts Receivable as of the Closing Date showing the client, the amount outstanding and the month the advertising was broadcast and billed;

(vii) A list of all current and future contracts for advertising on the Station showing the details of the schedule including, but not limited to, the dollar amount of the advertising and the dates scheduled;

(viii) Such other documents and instruments reasonably necessary to consummate the transactions contemplated hereby upon the terms contained herein.

(c) Deliveries at the Closing by the Buyer. At the Closing the Buyer shall deliver to the Seller the following:

(i) A cashier's check or verification of a wire transfer of immediately available funds in the amount of Four Hundred Thousand Dollars (\$400,000);

(ii) Such other documents and instruments reasonably necessary to consummate the transactions contemplated hereby upon the terms contained herein.

12. Conditions to Buyer's Obligations. Unless waived by the Buyer in writing, the obligation of the Buyer to complete the Closing of transactions provided in this Agreement is subject to:

(a) Representations, Warranties and Covenants. The representations, warranties and covenants of the Seller contained in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects at and as of the Closing Date.

(b) No Adverse Proceedings. No suit, action or other proceeding by a third party against the Buyer or its officers, directors or affiliates, or against the Seller, shall be pending or threatened in which it will be, or it is, sought to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain damages or

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other relief in connection with this Agreement or the transactions contemplated hereby.

(c) Consents. All required consents of the FCC to the assignment of the Licenses shall have been received and Buyer shall have received FCC consent to Buyer's purchase of Radio Station KYXK (FM) Gurdon, Arkansas.

(d) No Material Adverse Change. There shall have occurred no material adverse change in the Assets, and no material part of the Assets shall have been damaged or destroyed by any fire, storm, vandalism or other casualty. In the event of damage or destruction of the Assets that the Seller cannot restore or replace before Closing, the Buyer agrees to proceed to Closing and complete the restoration and replacement of such damaged Assets after the Closing Date, in which event the Seller shall deliver to the Buyer insurance proceeds received in connection with such damage up to the actual cost of repair.

(e) Assets Delivered Free And Clear. The Assets being transferred to Buyer will be free and clear of all liens, claims, encumbrances, security interests and adverse rights or interests whatsoever.

13. Conditions to Seller's Obligations. Unless waived by the Seller in writing, the obligation of the Seller to complete the Closing of the transaction contemplated by this Agreement is subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

(a) Representations Warranties and Covenants. The representations and warranties of the Buyer contained in this Agreement shall have been true and correct in all material respects when made and shall be true and correct in all material respects at and as of the Closing Date.

(b) No Adverse Proceedings. No suit, action or other proceeding by a third party against the Seller or its officers, directors or affiliates, or the Buyer, shall be pending or threatened in which it will be, or it is, sought to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain damages or other relief in connection with this Agreement or the transactions contemplated hereby.

14. Indemnification.

(a) Indemnification by Seller. The Seller shall indemnify and hold the Buyer harmless from, against and with respect to any and all losses, liabilities, claims, obligations, costs, damages and expenses incurred by or asserted against the Buyer or the Assets which (i) relate to or arise out of any breach by the Seller of any covenant, warranty or representation contained in this Agreement, or in any other document or agreement delivered by the Seller to the Buyer pursuant to the terms of this Agreement; or (ii) which relate to the ownership or use of the

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Assets or the operation of the Stations prior to Closing or otherwise arise out of events occurring prior to the Closing which are the responsibility of the Seller.

(b) Indemnification by Buyer. The Buyer shall indemnify and hold the Seller harmless from, against and with respect to any and all losses, liabilities, claims, obligations, costs, damages and expenses incurred by or asserted against the Seller which relate to or arise out of any breach by the Buyer of any covenant, warranty or representation contained in this Agreement, or in any other document or agreement delivered by the Buyer to the Seller pursuant to the terms of this Agreement.

15. Section 73.1150 Statement. Both the Seller and the Buyer agree that the Seller has retained no rights of reversion of the KDEL-FM and/or KVRC-AM Licenses, no right to the reassignment of the KDEL-FM and/or KVRC-AM Licenses in the future, and has not reserved the right to use the facilities of KDEL-FM and/or KVRC-AM in the future for any reason whatsoever.

16. Survival. The representations and warranties of the parties contained in this Agreement and in any other certificate or document delivered in connection herewith, shall survive the Closing, for a period of one (1) year except with respect to matters constituting fraud or intentional or willful breach of such representations and warranties which shall survive until the expiration of the applicable statute of limitations with respect thereto. If notification of a breach of representation or warranty is given within said one (1) year period, such claim shall survive until finally resolved by agreement of the parties or final nonappealable court order.

17. Expenses. The law firm of Fletcher, Heald & Hildreth will review the transactions contemplated herein and assist with required Public Notices and the filing of the FCC assignment applications. Up to One Thousand Dollars (\$1,000.00) of expense for these services will be shared equally by the Buyer and the Seller; in the event this expense exceeds One Thousand Dollars (\$1,000.00), the Buyer will be responsible for payment of all additional charges. Except as otherwise specifically provided herein, the Seller on the one hand, and the Buyer on the other, shall each pay all of its respective expenses relating to this transaction and shall equally bear the burden for all closing costs. Taxes and special assessments due on or before the Closing shall be paid by the Seller. All rents, personal property taxes and like items shall be prorated as of the date of Closing.

18. Termination. The parties, by mutual written consent, may terminate this Agreement at any time prior to the Closing and, unless otherwise specifically provided in such consent, any such termination shall be without liability on the part of any party hereto. Immediately following the termination of this Agreement for any reason other than the Buyer's failure to Close following the Seller's fulfillment of all conditions to the Buyer's obligations, the funds held in the Escrow Account shall be returned to the Buyer.

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19. Allocation. Within thirty (30) days after the Closing Date, the Buyer shall provide to the Seller an allocation of the Purchase Price among the Assets. This allocation shall be deemed final unless the Seller disputes the allocation. If the allocation is not agreed upon within forty five (45) days after the Closing Date, Buyer and Seller agree that the allocation shall be made and consistently reported by the Buyer and the Seller in compliance with Section 1060 based upon an asset valuation supplied by a mutually acceptable qualified third party with the Buyer and the Seller sharing equally in the cost.

20. Section 1031 Like-Kind Exchange. The Buyer may desire to effect the purchase of the Assets as part of a deferred like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). The Seller shall cooperate with all reasonable requests of the Buyer in arranging and effecting the deferred like-kind exchange as one which qualifies under Section 1031 of the Code; provided, however, that the Seller shall not incur any out-of-pocket costs or tax disadvantages as a result of its cooperation, and the Closing shall not be delayed. The Seller shall in no event be responsible for the Buyer's failure to obtain Section 1031 treatment. The Buyer agrees to indemnify and hold the Seller harmless from and against all cost, taxes, and expenses arising from the Buyer's election to effect the purchase of the Assets as a like-kind exchange.

21. Adjustments and Prorations. Expenses arising from the business and operation of the Stations up to 12:01 a.m. on the Closing Date, including business and license fees, FCC regulatory fees, rent, utility charges, personal property taxes and assessments levied against the Assets (except for taxes arising from the transfer of the Assets hereunder), or other fees and similar prepaid and deferred items, shall be prorated between the Buyer and the Seller in accordance with the principle that the Seller shall be responsible for all expenses, costs and liabilities allocable to the operation of the Stations for the period prior to the Closing Date, and the Buyer shall be responsible for all expenses, costs and obligations allocable to the operation of the Stations on the Closing Date and for the period thereafter. Any adjustments or prorations to be made shall, insofar as practical, be determined and paid by company check or cash transfer on the Closing Date, with final settlement and payment by the appropriate party occurring no later than sixty (60) days after the Closing Date. If a dispute arises regarding the adjustments and prorations, the Buyer and the Seller agree to submit the dispute to an impartial accountant, to be agreed upon by the Buyer and the Seller, for determination.

22. Confidentiality. The Seller agrees that commencing on the date of the signing of this Agreement by both parties and continuing through the Closing Date it will give the Buyer and its representatives reasonable access to the premises, books and records of the Stations. In the event that this Agreement is terminated without Closing, the Buyer will return to the Seller all materials acquired pursuant to the provisions hereof. The Buyer and the Seller agree that all information and documents exchanged are proprietary in nature and that confidentiality will be protected.

23. Arbitration. In the event a dispute arises concerning this Agreement that cannot be resolved informally by the parties, either the Buyer or the Seller may require

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that the issue be submitted to an arbitrator for binding decision. The parties shall select an arbitrator who is knowledgeable in the radio broadcasting industry, if possible, and who is mutually acceptable to the Buyer and the Seller. If the parties are unable to agree on an arbitrator, the closest office of the American Arbitration Association shall designate the arbitrator. The Buyer and the Seller shall each pay one-half of the costs associated with arbitration, and the decision of the arbitrator shall be final, conclusive and binding on the parties.

24. Miscellaneous.

(a) Assignment. The Buyer and the Seller shall not assign their interests or delegate their obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, the Buyer may assign its interests under this Agreement to an entity under common control with the Buyer to effect a like-kind exchange or for any other reasonable purpose. Notwithstanding the foregoing, this Agreement shall be binding upon the successors and assigns of the parties hereto.

(b) Legal Counsel. In the event either party to this Agreement shall employ legal counsel to protect its rights hereunder or to enforce any term or provision hereof, the party prevailing in any such action shall have the right to recover from the other party all of its reasonable attorneys' fees and expenses incurred in relation to such claims.

(c) Further Assurances. The parties agree that from time to time hereafter, upon request, each of them will execute, acknowledge and deliver such other instruments and documents and take such further action as may be reasonably necessary to carry out the intent of this Agreement.

(d) Modification. No provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

(e) Binding Effect and Benefit. This Agreement shall inure to the benefit of and shall be binding upon, the parties hereto, their heirs, successors and permitted assigns.

(f) Headings and Captions. Subject headings and captions are included for convenience purposes only and do not in any way affect, limit or amplify the terms of any provision hereof

(g) Notice. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, (iii) mailed by certified or registered mail, postage prepaid, return

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receipt requested or (iv) sent by telex, telegraph or other facsimile transmission as follows:

If to the Seller, addressed or delivered in person to:

Mr. Eddie Graham
Graham Broadcast Company, Inc.
1838 Walnut
Arkadelphia, AR 71923 Facsimile Number: (870) 246-4562

If to the Buyer, addressed or delivered in person to:

Mr. Jay Bunyard
C/o Radio Stations KDQN FM/AM
421 South 4th Street
DeQueen, AR 71832 Facsimile Number (870) 642-2446

Or to such other address as either party may designate by notice in the manner provided above.

With a copy to:
Mr. Frank Jazzo
Fletcher, Heald & Hildreth
1300 North 17th street - 11th Floor
Arlington, VA 22209

(h) Severability. If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions herein.

(i) Waiver. No waiver of a breach or violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach or limit or restrict any right or remedy otherwise available.

(j) Possession. Possession shall be delivered to the Buyer upon the date of Closing.

(k) Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include the other gender where appropriate.

(l) Captions. The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way affect, limit or amplify the terms of any provision hereof

ASSET PURCHASE AND SALE AGREEMENT

(m) Entire Agreement. This document constitutes the entire agreement of the parties and supersedes any and all other prior agreements, oral or written with respect to the subject matter contained herein.

(n) Governing Law. This Agreement shall be subject to and governed by the laws of the State of Arkansas.

(o) Authority. Each individual signing this Agreement in a representative capacity acknowledges and represents that he is duly authorized to execute this Agreement in such capacity in the name of, and on behalf of, the designated corporation or other entity.

(p) Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

[SIGNATURE PAGE FOLLOWS]

ASSET PURCHASE AND SALE AGREEMENT

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year aforesaid.

BUYER:

Clark County Broadcasting, Inc.

By: _____
Jay Bunyard, President

SELLER:

Graham Broadcast Company, Inc.

By: _____
Eddie Graham, President

ASSET PURCHASE AND SALE AGREEMENT

EXHIBITS AND SCHEDULES

Exhibit A	Inventory (personal property assets)
Exhibit B	Real Property (and improvements thereon)
Exhibit C	Accounts Receivable
Exhibit D	Licenses and Permits
Exhibit E	Contracts/Agreements to be Assumed
Exhibit F	Insurance Policies

ASSET PURCHASE AND SALE AGREEMENT

Exhibit A

INVENTORY OF ASSETS

See attached listing of personal property and assets.

ASSET PURCHASE AND SALE AGREEMENT

Exhibit B

REAL PROPERTY

See attached legal description of the real property and improvements thereon including the building used as the Stations' studio/office building.

ASSET PURCHASE AND SALE AGREEMENT

Exhibit C

ACCOUNTS RECEIVABLE

See attached listing of Seller's Accounts Receivable (as of the Closing Date) stating the account, the month the advertising was broadcast and the current balance due.

ASSET PURCHASE AND SALE AGREEMENT

Exhibit D

LICENSES AND PERMITS

See attached KDEL-FM and KVRC-AM Licenses, License Renewal Authorizations, all other Licenses issued in connection with the operation of the Stations and the Antenna Structure Registration.

ASSET PURCHASE AND SALE AGREEMENT

Exhibit E

CONTRACTS AND AGREEMENTS TO BE ASSUMED BY BUYER

See attached agreements and contracts with:

Jones Radio Network

ARSN

See attached trade agreements, if any.

ASSET PURCHASE AND SALE AGREEMENT

Exhibit F

INSURANCE POLICIES

See attached copy of insurance policies.