

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into effective as of the 22 day of November, 2004, by and between Briarpatch Radio, Inc. ("Seller") and Paul C. Stone ("Buyer").

RECITALS:

WHEREAS, Seller owns and operates radio station WDDK-FM, licensed to Greensboro, Georgia, (the "Station") pursuant to a license issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain assets and assume certain obligations associated with the ownership and operation of the Station, all on the terms and subject to the conditions set forth herein; and

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

SECTION 1 ASSETS TO BE SOLD

1. *Purchase and Sale.* On the Closing Date, as defined in Section 8, below, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and assume from Seller, all of the right, title and interest of Seller in and to all of the assets, properties, interests and rights of Seller of whatever kind and nature, real and personal, tangible and intangible, owned or leased, wherever situated, which are used or held for use in the operation of the Station (the "Station Assets"), including the following:
 - 1.1 *Station License.* All licenses, permits and other authorizations issued to Seller by any governmental or regulatory authority, including without limitation those issued by the FCC, used or held for use in connection with the operation of the Station (hereinafter "Station License"), as listed in Schedule 1.1, along with renewals or modifications of such items between the date hereof and the Closing Date.
 - 1.2 *Tangible Personal Property.* All equipment, electrical devices, cables, tools, hardware, spare parts and all other tangible personal property of every kind and description (including all studio equipment), and Seller's rights therein, owned, leased or held by Seller and used or held for use in connection with the operation of the Station, as listed in Schedule 1.2 (the "Tangible Personal Property"), together with any replacements thereof and additions thereto made between the date hereof and the Closing Date in the ordinary course of business and consistent with past practices of Seller.

- 1.3 *Intellectual Property.* All of Seller's rights in and to the Station call letters, "WDDK-FM," as well as all of Seller's rights, privileges and priorities provided under common, state, federal, foreign and multinational law, in and to all of the Station's intellectual property, whether registered or unregistered, including, without limitation, all trademarks, service marks, designs, jingles, slogans, logos, trade names and copyrights (hereinafter the "Intellectual Property").
- 1.4 *Contracts, Leases and Agreements.* Except as set forth on Schedule 1.10.07, all of Seller's interest in all contracts, leases and agreements ("Contracts") to which Seller is a party in connection with the business and operations of the Station and which are in effect as of the close of business on the broadcast day preceding the Closing Date. Said Contracts are listed and described in Schedule 1.4 attached hereto; provided, however, that in the event that Seller unintentionally and unknowingly omits to disclose any Contracts on Schedule 1.4 which are of a nonmaterial nature and which in the aggregate obligate the Seller to make annual payments less than One Thousand Dollars (\$1,000.00) (the "Unlisted Contracts"), then such nonmaterial Contracts shall also be assumed by Buyer. The Contracts shall include contracts entered into between the date hereof and the Closing Date in accordance with the terms of this Agreement. Except as noted on Schedule 1.4, Buyer will assume and perform all of the executory obligations of Seller under such Contracts from and after the close of business on the broadcast day preceding the Closing Date.
- 1.5 *Studio Lease and Tower Lease.* The lease for the studio (the "Studio Lease") located at 1271-B East Broad Street, Greensboro, GA 30642 (excluding the tower used to transmit from the studio to the regular tower), and the lease for the regular broadcast tower ("Tower Lease") located on Highway 44, Greensboro, GA. The Studio Lease and the Tower Lease are listed and described on Schedule 1.5 attached hereto.
- 1.6 *Agreements for Sale of Time.* All orders and agreements now existing or entered into on customary terms and rates in the ordinary course of business between the date hereof and the Closing Date, for the sale of advertising time on the Station for cash ("Time Sales Agreements"), except those which on the Closing Date have already been filled or have expired.
- 1.7 *Programming and Copyrights.* All programs and programming materials and elements of whatever form or nature owned by Seller as of the date of this Agreement and used or held for use in connection with the business and operations of the Station, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common law and any other copyrights owned by Seller and used in connection with the business and operations of the Station, or licensed or sublicensed to Seller in connection therewith, together with all such programs, materials, elements, and copyrights acquired by Seller in connection with the business and operations of the Station, or licensed or sub-licensed to Seller in connection therewith, together with all such programs, materials, elements and copyrights acquired

by Seller in connection with the business and operations of the Station between the date hereof and the Closing Date.

- 1.8 *FCC Records.* All FCC logs and other records (including the local public file) that relate to the operation of the Station.
- 1.9 *Accounting and Financial Records.* All files, records and logs pertaining to the operation of the Station, including all Contracts assigned hereunder.
- 1.10 *Trade Credits.* All contracts for the sale of advertising time for consideration other than cash ("Trade Agreements"), said Trade Agreements being listed on Schedule 1.10 hereof.
- 1.11 *Excluded Assets.* Notwithstanding the provisions of Section 1 hereof, Seller shall retain, and shall not sell or assign to Buyer, the following assets:
 - 1.11.1 *Cash.* Cash on hand and cash equivalents.
 - 1.11.2 *Receivables.* All accounts receivable of Seller.
 - 1.11.3 *Corporate Books and Records.* Books, records and documents relating to Seller's corporate operations, including, Seller's organizational documents and financial records, and duplicate copies of such other records as are necessary to enable Seller to meet its tax reporting obligations.
 - 1.11.4 *Employee Benefit Plans.* All pension, profit sharing, Internal Revenue Code Section 401(k) and savings plans and trusts and any assets thereof and any other employee benefit plan or arrangement as listed in Schedule 1.11.4.
 - 1.11.5 *Insurance.* All contracts of insurance except to the extent that any such Contract is a Contract assumed by the Buyer at Closing.
 - 1.11.6 *Refunds.* Any claims, rights and interest in and to any refunds of federal, state or local franchise, income or other taxes or fees of any nature whatsoever attributable to any period prior to the Closing Date.
 - 1.11.7 *Contracts/Agreements.* The contracts and agreements set forth on Schedule 1.11.7 hereof.

The Station Assets shall be transferred to Buyer free and clear of all charges, conditions, community property interests, options, attachments, rights of first refusal, debts, security interests, mortgages, trusts, claims, pledges or other liens, liabilities, encumbrances or rights of any third parties whatsoever.

SECTION 2

PURCHASE PRICE

2. *Payment of Purchase Price:*

- 2.1 *Escrow Deposit.* Upon execution of the Purchase Agreement, Buyer will deposit with Sean Patrick Dolan, Esq. ("Escrow Agent") a Deposit ("Escrow Deposit") in the amount of Twenty-Five Thousand Dollars (\$25,000). The Escrow Deposit shall be applied toward the purchase price at Closing and otherwise held in escrow and distributed pursuant to the terms of the Escrow Agreement attached hereto as Schedule 2.1., which shall be executed by Buyer, Seller and Escrow Agent. In the event that Buyer defaults under the Purchase Agreement, the Escrow Deposit and any interest earned thereon shall be forfeited to Seller as liquidated damages in full compensation for any damages that Seller may sustain thereby. In the event that the transaction does not close as contemplated and Buyer is not in default under the Purchase Agreement, the Escrow Deposit, and any interest earned thereon, shall be returned to Buyer.
- 2.2 *Payment of Purchase Price.* In consideration for the sale of the Station Assets to Buyer, in addition to the assumption of certain obligations pursuant to Sections 1.4, 1.5, 1.6 and 1.10, above, Buyer shall, at the Closing, pay to Seller the sum of NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000); provided, however, that in the event Seller does not repaint the tower that is the subject of the Tower Lease before the Closing Date, the purchase price shall be reduced by \$5,000 to \$945,000. The purchase price shall be payable as follows: (1) \$25,000 Escrow Deposit, and (2) balance in cash at Closing.
- 2.3 *Consulting Agreements.* As additional consideration for the sale of the Station Assets to Buyer, Buyer shall, at the Closing, enter into consulting agreements ("Consulting Agreements") with L.H. Christian, Frank Christian, Sandra Gwyn, and Arthur A. Lyness in the form attached hereto as Schedule 2.3.

SECTION 3 PRORATIONS

3. Prorations:

- 3.1 *Proration of Operating Expenses.* Operation of the Station and the income, expenses and liabilities attributable thereto through the close of business on the broadcast day before the Closing Date shall be for the account of Seller and thereafter for the account of Buyer. Expenses including, but not limited to, such items as power and utilities charges, real estate taxes, ad valorem property taxes, FCC annual fees, prepaid time sales agreements, rents, wages, commissions, payroll taxes, insurance premiums for coverage other than the buildings and physical premises, personal property taxes, water and sewer charges, special

assessments, barter or trades, vacation pay and other fringe benefits of employees of Seller (except severance pay) who enter the employment of Buyer shall be prorated between Seller and Buyer in accordance with generally accepted accounting principles, the proration to be made and paid, insofar as feasible, on the Closing Date, with a final settlement not later than sixty (60) days after the Closing Date based on schedules furnished by Buyer prior to the end of thirty (30) days after the Closing Date. All real estate taxes and insurance premiums for coverage of the buildings and physical premises shall be the sole responsibility of Seller up to the close of business through the broadcast day before the Closing Date. Ad valorem taxes not yet due for the current year shall be pro rated as of the Closing Date.

- 3.2 *Proration of Trade Agreements.* At the Closing, Buyer shall assume all liabilities and obligations under the Trade Agreements.

SECTION 4 ACCOUNTS RECEIVABLE

4. *Accounts Receivable:*

- 4.1 *Collection and Remittance.* Seller hereby assigns to Buyer, for purposes of collection only, all of Seller's accounts receivable with respect to advertising carried on the Station prior to the Closing Date (hereinafter such accounts receivable are called individually "Account Receivable" and collectively "Accounts Receivable"). As soon as practicable after the Closing Date, Seller shall deliver to Buyer a complete and accurate statement of each Account Receivable showing, among other things, the name, amount and age thereof. For a period of ninety (90) days following the Closing Date of this agreement, Buyer agrees to collect such Accounts Receivable for and on behalf of Seller. Seller shall retain ownership of such Accounts Receivable. Within ten (10) days after the end of each calendar month during such 90-day period, Buyer shall remit to Seller all payments received by Buyer with respect to the Accounts Receivable, less 5% for Buyer's collection/processing expense, and less agency and sales commissions at the rate in place prior to the date hereof, together with a written accounting thereof.
- 4.2 *Application and Reassignment.* If any Account receivable is disputed by a customer, the Account Receivable will immediately be reassigned by Buyer to Seller, and Buyer thereafter shall have no further liability or responsibility for the collection of such disputed Account Receivable. No later than fifteen (15) days after the end of the 90-day period of collection of Accounts Receivable, Buyer shall furnish Seller with a list of, and shall reassign to Seller for collection, each Account Receivable which is uncollected, together with a copy of all files concerning such Accounts Receivable, and Buyer thereafter shall have no further

responsibility for the collection of such reassigned Account Receivable. Buyer shall immediately pay over to Seller any amounts thereafter paid to Buyer with respect to each reassigned Account Receivable.

- 4.3 *Verification.* Buyer shall furnish Seller and its authorized representatives reasonable access, during normal business hours during the 90-day period after the Closing Date hereof, to such books, records and files as may be helpful to verify Buyer's compliance with this Section 4.3. Buyer shall not be obligated to refer any Account Receivable to a collection agency or an attorney for collection or to take any legal action for the collection of any Account Receivable, and Buyer shall not make any such referrals, take any such legal action, or compromise, settle or adjust the amount of any Account Receivable without Seller's prior written consent. Seller shall be free, however, to take any action it deems appropriate with respect to any Account Receivable reassigned to it by Buyer.

SECTION 5

APPLICATION TO AND CONSENT BY GOVERNMENTAL AUTHORITIES

5. *FCC Consent.* It is specifically understood and agreed by Buyer and Seller that the Closing, the assignment of the Station License and the transfer of the Station Assets pursuant to this Agreement are expressly conditioned on and subject to the prior consent and approval of the FCC without the imposition of any conditions materially adverse to Buyer, and such consent and approval shall have become "final," as that term is defined under FCC rules and regulations ("FCC Consent"). Buyer and Seller further agree as follows:
- 5.1 *FCC Application.* Within fifteen (15) business days after the execution of this Agreement, Buyer and Seller shall file a Form 314 Application with the FCC for the FCC Consent (the "FCC Application"). Seller and Buyer agree to prosecute the FCC Application with all reasonable diligence and otherwise use their reasonable best efforts to obtain the FCC Consent as expeditiously as practicable. If the FCC Consent imposes any condition on Buyer or Seller, 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 or any of its Affiliates. 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.
- 5.2 *Notice of Application.* Seller shall, at its sole cost and expense, give due notice of the filing of the FCC Application in a manner consistent with the requirements of the FCC's rules and regulations.

SECTION 6 ASSUMPTIONS

6. *Buyer's Assumed Obligations.* Buyer does not agree to assume any outstanding obligations of Seller relating to the Station Assets other than pursuant to Sections 1.4, 1.5, 1.6 and 1.10, above. As a condition of Closing, the lessors shall have consented in writing to the assignment of all of Seller's right, interest and obligations under the Studio Lease and the Tower Lease Agreement to Buyer.

SECTION 7 REPRESENTATIONS AND WARRANTIES OF SELLER

7. Seller hereby makes the following representation and warranties to Buyer, each of which is true and correct on the date hereof:
- 7.1 *Standing.* Seller is sole owner of the Station. Seller is authorized to conduct business within the State of Georgia, and has the power and authority to own, lease and operate the Station Assets and to carry on the business of the Station.
- 7.2 *Ability to Perform the Agreement.* Seller has the power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Seller.
- 7.3 *Binding Effect of Agreement.* This Agreement constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with the terms of this Agreement. The execution, delivery, and performance of this Agreement or any of the closing documents do not violate any contract provision or other commitment to which Seller or the Station is a party or under which it or its property is bound, or any judgment or order, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any of the Station Assets.
- 7.4 *Authorizations:*
- 7.4.1 Schedule 1.1 is a true and complete list of the Station License and any other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station. Seller has delivered to Buyer true and complete copies of the Station License and other licenses, permits and authorizations listed in Schedule 1.1, including any and all amendments and other modifications thereto. Seller is the authorized legal holder of the Station License and other licenses, permits and authorizations listed in Schedule 1.1, which are in full force and effect, in good standing and are

unimpaired by any act of Seller or its principals, and none of which is subject to any restrictions or conditions that would limit in any respect the full operation of the Station. The Stations Licenses have expiration dates as listed in Schedule 1.1. Seller has no reason to believe that the Station License would not be renewed in the ordinary course.

7.4.2 There are no applications, complaints, petitions or proceedings pending, or, to the best of Seller's knowledge, threatened as of the date hereof before the FCC or any other governmental or regulatory authority relating to the business or operations of the Station. The operation of the Station is in accordance with the Station License and the rules of the FCC, the Federal Aviation Administration, and the Occupational Safety and Health Administration.

7.4.3 To the best of Seller's knowledge, the Station is not causing objectionable interference to the transmissions of any other broadcast station or communications facility not has the Station received any complaints with respect thereto. Additionally, to the best of Seller's knowledge, no other broadcast station or communications facility is causing objectionable interference to transmissions of the Station or the public's reception of such transmissions.

7.4.4 All reports, applications and other documents required to be filed by Seller with the FCC or any other administrative body with respect to the Station or its operations have been filed, such items which are required to be placed in the Station's public inspection file have been placed in such file, and all such reports, applications and documents are true and correct in all material respects.

7.4.5 The operation of the Station and all of the Station Assets are in compliance in all respects with all applicable engineering standards required to be met under FCC rules, and ANSI Radiation Standards C95.1-1992.

7.5 *Taxes.* Seller has filed all federal, state and local income, franchise, sales, use, property, excise, payroll and other tax returns required by law to be filed in connection with its ownership and operation of the Station, and has paid in full all taxes, estimated taxes, interest, assessments and penalties due and payable by it. All returns and forms which have been filed by Seller have been true and correct in all material respects. There are no present disputes or audits regarding taxes of any nature payable by Seller in connection with its ownership and operation of the Station which in any event could adversely affect the Station Assets or the operation of the Station by Buyer. Seller does not and will not in the future have any liability for any unpaid taxes or other governmental or regulatory charges

whatsoever (including without limitation withholding and payroll taxes) which could result in any liens on the Station Assets after conveyance thereof to Buyer or in any other form of transferee liability to Buyer.

- 7.6 *Financial Statements.* Seller has previously delivered to Buyer copies of all of Seller's financial statements for the Station for its calendar tax years since 2002, (collectively, the "Financial Statements"). The Financial Statements together with the notes thereto, if any, in all material respects: (a) are complete and correct; (b) have been prepared under generally accepted accounting principles; (c) present fairly the financial position of Seller as of those dates and the results of its operations for the periods indicated in accordance with normal accounting practices in the radio broadcasting industry; and (d) properly and fairly disclose and allocate all inter-company transactions among any of the Station and among Seller and any of its affiliates.
- 7.7 *Tangible Personal Property.* Schedule 1.2 contains a list of all material items of Tangible Personal Property owned by Seller and used in the conduct of the business and operations of the Station which is to be conveyed to Buyer. Seller has, and following the Closing Buyer will have, good and marketable title to all of the Station Assets, including the Tangible Personal Property, free and clear of all liens, charges, encumbrances, restrictions, pledges, debts, demands, or claims of any kind or nature whatsoever. All items of Tangible Personal Property included in the Station Assets are in good and technically sound operating condition and repair, are free from all material defect and damage, are suitable for the purpose of operating the Station, and have been maintained in a manner consistent with generally accepted standards of good engineering practice. Buyer shall acquire any and all of Seller's rights under manufacturers or vendors warranties relating to such items.
- 7.8 *Contracts.* Schedule 1.4 contains a true and complete listing of all Contracts (except for the Studio Lease and the Tower Lease) to be assumed by Buyer. The Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms. Seller is not in default under the Contracts, and there are no present disputes or claims by any party to the Contracts against the other.
- 7.9 *Consents.* Notwithstanding any other provision of this Agreement, to the extent that the consent or approval of any third person is required under any Contract listed on Schedule 1.4 in order to assign any such Contract from Seller to Buyer or otherwise by reason of the transactions provided for in this Agreement, Seller has listed same on Schedule 1.4 hereto, and Seller shall obtain all such consents and approvals for Contracts marked with an asterisk; provided, however, that with respect to Contracts which are not marked with an asterisk, Seller shall use commercially reasonable efforts to obtain such consents and approvals. If any such consent or approval is not obtained, then Seller will use its best efforts to

establish a mutually satisfactory arrangement to provide to Buyer after the Closing Date the benefits under such Contract; *provided however*, that Buyer shall not be obligated to accept the assignment of any Contract for which the requisite consent is not obtained.

- 7.10 *Studio Lease and Tower Lease.* Schedule 1.5 contains a true and complete description of the Studio Lease and the Tower Lease. The Studio Lease and the Tower Lease are in full force and effect and are valid, binding and enforceable in accordance with their terms. Seller is not in default under the Studio Lease or the Tower Lease, and there are no present disputes or claims by any party to the leases against the other. As a condition of Closing, the lessor shall have consented in writing to the assignment of all of Seller's rights, interests and obligations under the Studio Lease and the Tower Lease to Buyer, in the form of an Assignment and Assumption of the Studio Lease and the Tower Lease, and Seller shall use its best efforts to obtain such lessors' consent. The assignment of the Studio Lease and the Tower Lease to Buyer will not permit the lessor to accelerate the rent, cause the terms thereof to be renegotiated or constitute a default thereunder.
- 7.11 *Tower Located on the Studio Property.* Seller owns the tower (the "Studio Tower") on the property described in the Studio Lease. This tower is not included as part of the Station Assets.
- 7.12 *Trade Agreements.* Schedule 1.9 contains a true and complete listing of all Trade Agreements to be assumed by Buyer. The Trade Agreements are in full force and effect and are valid, binding and enforceable in accordance with their terms. Seller is not in default under the Trade Agreements, and there are no present disputes or claims by any party to the Trade Agreements against the other.
- 7.13 *Environmental.* Seller is in compliance with all federal, state and local environmental laws, rules and regulations applicable to the Station and its operations. The Tangible Personal Property included in the Station Assets does not contain any PCBs, and neither the real property which is subject to the Studio Lease and Tower Lease nor the technical equipment included in the Station Assets contain any hazardous or toxic waste, substance, material or pollutant. The Station Assets and Seller's use thereof are not in violation of any environmental laws or any occupational, safety and health or other applicable law. Seller shall be solely responsible for all environmental liabilities arising out of or attributable to the operation or ownership of the Station or any of the Station Assets prior to the Closing Date.
- 7.14 *Litigation.* Seller is not subject to any judgment, award, order or injunction relating to the conduct of the business or the operation of the Station or any of the Station Assets, and there is no litigation, administrative action, arbitration,

proceeding or investigation pending or, to the best knowledge of Seller, threatened against Seller or the Station in any court, agency or tribunal authorized to resolve disputes. In particular, there are no applications, complaints or proceedings pending or, to the best knowledge of Seller, threatened before the Commission or any other governmental organization with respect to the business or operations of the Station.

- 7.15 *Insurance.* Seller now has in force adequate fire and other risk insurance covering the full replacement value of the Station Assets, and adequate general public liability insurance in amounts consistent with broadcasting industry standards for broadcast stations, and shall cause such insurance to be maintained in full force until the Closing Date. None of the Station Assets have been materially and adversely affected in any way as a result of fire, explosion, earthquake, accident, fraud, rain, storm, drought, riot, Act of God, public enemy or any other casualty, whether or not covered by insurance.
- 7.16 *Seller's Qualifications.* There is no fact that would, under present law, including the Communications Act, and the rules and regulations of the FCC, impair the ability of Seller to assign the Station Assets or the Station License to Buyer. Should Seller become aware of any such fact, it will so inform Buyer and will use its best efforts to remove any such impairment.
- 7.17 *Sale of Station Assets.* As long as this Agreement has not been terminated, Seller shall not offer for sale the Station Assets to any other person or entity.
- 7.18 *No Untrue Statement or Omission.* No representation or warranty made by Seller in this Agreement or any Schedule, Exhibit, statement or other document heretofore or hereafter furnished by Seller to Buyer contains or will contain any untrue statement or omits or will omit a material fact necessary to make the statements contained therein not misleading.
- 7.19 *Representations and Warranties True at Closing.* All representations and warranties of Seller set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 8

REPRESENTATIONS AND WARRANTIES OF BUYER

8. Buyer hereby makes the following representation and warranties to Seller, each of which is true and correct on the date hereof:
- 8.1 *Organization and Standing.* Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia.

- 8.2 *Ability to Perform the Agreement.* Buyer has all necessary corporate power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and to own or lease the Station Assets and to carry on the business of the Station upon the consummation of the transactions contemplated by this Agreement.
- 8.3 *Binding Effect of Agreement.* This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms. On the Closing Date, the execution, delivery and performance of this Agreement shall not violate any provision of the Articles of Incorporation or By-laws of Buyer, or any contract provision or other commitment to which Buyer or any of its officers or directors is bound, or any judgment or order.
- 8.4 *Buyer's Qualifications.* There is no fact that would, under present law, including the Communications Act, and the rules and regulations of the FCC, disqualify Buyer from being the licensee of the Station. Should Buyer become aware of any such fact, it will so inform Seller and will use its best efforts to remove any such disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification.
- 8.5 *Litigation.* There is no claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer, that could materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement. Buyer is not in violation of any law, regulation, ordinance or any other requirement of any court or governmental body that could have a material adverse effect on Buyer's ability to perform its obligations pursuant to this Agreement.
- 8.6 *Commission or Finder's Fees.* Neither Buyer, nor any person or entity acting on behalf of Buyer, has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related to the sale of the Station to Buyer.
- 8.7 *No Untrue Statement or Omission.* No representation or warranty made by Buyer in this Agreement or any Schedule, Exhibit, statement or other document heretofore or hereafter furnished to Seller and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any untrue statement or omits or will omit a material fact necessary to make the statement contained therein not misleading.
- 8.8 *Representations and Warranties True at Closing.* All representations and warranties of Buyer set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 9
SELLERS' CONDUCT OF BUSINESS PRIOR TO CLOSING
AND BUYER'S ACCESS TO INFORMATION

9. *Covenants of Seller.* Subject to Buyer hereof, on the Closing Date, Seller shall transfer, convey, assign and deliver to Buyer the Station Assets as provided in Section 1 hereof. Additionally, between the date hereof and the Closing Date:
- 9.1 Seller shall retain ultimate control and supervision of the Station, including but not limited to matters relating to programming, finances and personnel.
 - 9.2 Seller shall conduct the business and operations of the Station in the ordinary and prudent course of business consistent with past practice and with the intent of preserving the ongoing operations and assets of the Station.
 - 9.3 Seller shall operate the Station in all respects in accordance with FCC rules and regulations and the terms of the Station License, and with all other laws, regulations, rules and order. Seller shall not cause or permit by any act, or failure to act, any of the Station License listed in Schedule 1.1 to expire, be surrendered, adversely modified, or otherwise jeopardized, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of the Station License.
 - 9.4 Seller shall deliver to Buyer within five (5) days after filing thereof with the FCC copies of any and all reports, applications, and/or responses relating to the Station which are filed on or prior to the Closing Date.
 - 9.5 Seller shall give prompt written notice to Buyer of any change in any of the information contained in the representations and warranties made in Section 7 hereof. Seller shall also notify Buyer of any litigation, arbitration or administrative proceeding pending, or, to the knowledge of Seller, threatened against Seller that challenges the transactions contemplated hereby.
 - 9.6 Seller shall not create or permit the creation of any mortgage, security interest, lien, pledge, encumbrance, restriction, liability, charge, claim or imperfection of title on any of the Station Assets or with respect thereto.
 - 9.7 Seller shall provide Buyer and its authorized representatives and agents, including engineers, accountants, lawyers and other representatives, with access during reasonable business hours to inspect the Station Assets. Additionally, Seller shall promptly furnish to Buyer such information and materials concerning the Station's affairs as Buyer may reasonably request.

- 9.8 Seller shall not take any action which (i) is materially inconsistent with its obligations under this Agreement, (ii) would cause any representation or warranty of Seller to become false or invalid, or (iii) could unreasonably hinder or delay the consummation of the transactions contemplated by this Agreement.
- 9.9 *Covenants of Buyer.* Subject to Section 10 hereof, on the Closing Date, Buyer shall purchase the Station Assets from Seller as provided in Section 1. Additionally, between the date hereof and the Closing Date:
- 9.9.1 Buyer shall give prompt written notice to Seller of any change in any of the information contained in the representations and warranties made in Section 6 hereof. Buyer shall also notify Seller of any litigation, arbitration or administrative proceeding pending, or, to the knowledge of Buyer, threatened against Buyer that challenges the transactions contemplated hereby.
- 9.9.2 Buyer shall not take any action which (i) is materially inconsistent with its obligations under this Agreement, (ii) would cause any representation or warranty of Buyer to become false or invalid, or (iii) could unreasonably hinder or delay the consummation of the transactions contemplated by this Agreement.

SECTION 10 CONDITIONS FOR CLOSING

10. *Closing.* The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place at a location to be mutually agreed upon by Buyer and Seller, and within thirty (30) days after the grant by the FCC of the FCC Application has become a Final Order, or such other date as the parties shall mutually agree (the "Closing Date").
- 10.1 *Final Order.* For purposes of this Agreement, a "Final Order" means that the grant by the FCC of the FCC Application is in full force and is no longer subject to administrative or judicial review, recall or reconsideration.
- 10.2 *Conditions Precedent to Closing.* The obligations of the parties under this Agreement are subject to the satisfaction of each of the following express conditions precedent as of the Closing Date:
- 10.2.1 The FCC Consent shall have become a Final Order, and any other necessary governmental approvals that may be necessary shall have been obtained and are final.
- 10.2.2 Each of Seller's representations and warranties contained in this

Agreement or in any Schedule, Exhibit or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty were made at and as of such time. All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

- 10.2.3 Each of Buyer's representations and warranties contained in this Agreement or in any Schedule, Exhibit or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty were made at and as of such time. 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.
- 10.2.4 There is no action pending as of the Closing Date to enjoin the Closing of this Agreement or the sale of the Station Assets to Buyer.
- 10.2.5 Seller shall be the holder of the Station License listed in Schedule 1.1, and there shall not have been any modification of the license which has an adverse effect on the Station or the operations thereof. No proceeding shall be pending which seeks to modify the Station License.
- 10.2.6 Seller shall have delivered to Buyer an inventory of the Tangible Personal Property to be conveyed, current as of the Closing Date. There shall be no material changes between Schedule 1.2 and the inventory of Tangible Personal Property as of the Closing Date other than changes that have been agreed to and accepted in writing by Buyer, in its reasonable discretion.
- 10.2.7 Seller shall have delivered to Buyer an Assignment and Assumption whereby the lessor of the Studio Lease and Tower Lease has consented to an assignment of the rights, interests and obligations of Seller to Buyer.
- 10.2.8 No material adverse change in the condition or status of the Station or Station Assets shall have occurred, or be threatened or be reasonably likely to occur.

SECTION 11

OBLIGATIONS AT CLOSING

11. *Closing Documents.* At the Closing, the parties shall provide the following:
- 11.1 Seller shall provide an executed Bill of Sale in form and substance satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder.
 - 11.2 Seller shall provide an executed Assignment and Transfer in form and substance satisfactory to Buyer assigning and transferring to Buyer the Station License and the Intangible Property.
 - 11.3 Seller shall provide an Assignment and Assumption of the Studio Lease and Tower Lease in form and substance satisfactory to Buyer and approved by the lessor.
 - 11.4 Seller shall provide a statement providing that (a) all of the representations and warranties of Seller set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Seller on or prior to the Closing Date have been performed in all material respects.
 - 11.5 Buyer shall provide a statement providing that (a) all of the representations and warranties of Buyer set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Buyer on or prior to the Closing Date have been performed in all material respects.
 - 11.6 Buyer shall provide the Purchase Price in accordance with Section 2.2 hereof.
 - 11.7 Buyer shall enter into consulting agreements with L.H. Christian, Frank Christian, Sandra Gwyn, and Arthur A. Lyness in the form attached hereto as Schedule 2.3.
 - 11.8 Buyer shall assume the obligations of Seller described in Section 6 hereof.

SECTION 12 SURVIVAL; INDEMNIFICATION

12. *Survival.* All representations, warranties, and covenants made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of twenty-four (24) months. Neither the acceptance nor the delivery of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Seller or Buyer contained in this Agreement, all of which shall, unless otherwise specifically provided, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding

upon and inure to the benefit of all of the parties hereto, their heirs, legal representatives, successors and permitted assigns.

- 12.1 *Breach by Seller.* Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities, claims and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or related to (a) any breach of the representations, warranties and covenants given or made by Seller in this Agreement; (b) the conduct of the business and operations of the Station or the use or ownership of any of the Station Assets prior to the Closing Date.
- 12.2 *Breach by Buyer.* Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or related to (a) any breach of the representations, warranties and covenants given or made by Buyer in this Agreement; and (b) the conduct of the business and operations of the Station or the use or ownership of any of the Station Assets on or after the Closing Date.

SECTION 13 TERMINATION RIGHTS

13. *Termination.* This Agreement may be terminated at any time prior to Closing as follows:
- 13.1 Upon the mutual written consent of Buyer and Seller, this Agreement may be terminated on such terms and conditions as so agreed; or
- 13.2 By written notice of Buyer to Seller if Seller breaches in any material respect any of its representations and warranties or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements herein and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Buyer; or
- 13.3 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 observance or in the due and timely performance of any of its covenants or agreements herein and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Seller; or
- 13.4 By written notice of Buyer to Seller if the FCC denies the FCC Application or designates it for a trial-type hearing; or
- 13.5 By written notice of Buyer to Seller, or Seller to Buyer, if any court of competent jurisdiction shall have issued an order or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by

this Agreement, or by Buyer, if any court, legislative body or governmental or regulatory body has taken, or is reasonably expected to take, action that would make consummation of the transaction contemplate hereby inadvisable or undesirable as determined by Buyer in its sole discretion; or

- 13.6 By written notice of Buyer to Seller, or by Seller to Buyer, if the Closing shall not have been consummated on or before one (1) year from the date of acceptance by the FCC of the application for assignment of the Station License to Buyer.
- 13.7 By written notice of Buyer to Seller that any of the conditions to Closing as set forth in Sections 10.2.1, 10.2.2, 10.2.4, 10.2.5, 10.2.6, 10.2.7 or 10.2.8 have not been satisfied.
- 13.8 By written notice of Seller to Buyer that any of the conditions to Closing as set forth in Sections 10.2.1, 10.2.3 or 10.2.4 have not been satisfied.

Monetary Damages; Specific Performance. The parties recognize that if Seller refuses to perform under the terms of this Agreement or otherwise breaches such that Closing has not occurred, monetary damages alone will not be adequate to compensate Buyer for its injury, and Buyer therefore shall be entitled to obtain specific performance of the terms of this Agreement in addition to any other remedies that may be available. If an action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

SECTION 14 FEES AND EXPENSES

14. *Fees and Expenses:*

- 14.1 *Attorney Fees.* Each party shall pay its own attorneys fees and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the agreements contemplated herein.
- 14.2 *Filing Fees.* All filing fees required by the Commission in connection with the Assignment Application shall be paid equally by Buyer and Seller.

SECTION 15 MISCELLANEOUS

15. *Miscellaneous:*

- 15.1 *Risk of Loss.* The risk of loss or damage to any of the Station Assets prior to the Closing Date shall be upon Seller.
- 15.2 *Use of Studio Tower.* Seller warrants, covenants, and agrees as follows:

- 15.2.1 That Buyer may use the Studio Tower at no charge for a studio transmitter link to allow Buyer to transmit from the studio to the tower that is the subject of the Tower Lease for so long as Buyer shall occupy the studio that is the subject of the Studio Lease.
- 15.2.2 That Seller does hereby indemnify and hold harmless Buyer from any damages, claims, actions, or causes of action from the FCC or FAA arising out of or relating to the Studio Tower, including reasonable attorney fees actually incurred, not caused by the material negligence or malfeasance of Buyer. This indemnification shall continue until the applicable statutes of limitation for any claims covered by this indemnification shall have expired after Buyer vacates the studio that is the subject of the Studio Lease.
- 15.3 *Entire Agreement.* This Agreement sets forth the entire agreement of the parties, and supersedes all prior written or oral agreements. This Agreement cannot be amended, changed or modified in any respect unless agreed to by each of the parties hereto in writing.
- 15.4 *Further Assurances.* After the Closing, Seller shall from time to time, at the request of and without further cost to Buyer, execute and deliver such other instruments of conveyance and transfer and take such other actions as may be reasonably be requested in order to more effectively consummate the transactions contemplated hereby to vest in Buyer good and marketable title to the Station Assets free, clear and unencumbered. Likewise, Buyer shall from time to time, at the request of and without further cost to Buyer, 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.
- 15.5 *Binding Effect and Assignment.* This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. Buyer may assign this Agreement without Seller's consent to any entity in which Buyer is the majority owner, in which case the provisions of this Agreement shall inure to the benefit of and be binding upon Buyer's assignee, and Buyer shall have no further obligation under this Agreement.
- 15.6 *Notices.* Any notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly delivered if sent by certified mail-return receipt requested, express mail or courier to the following:

To Seller: Briarpatch Radio, Inc
Att: Mr. Chip Lyness

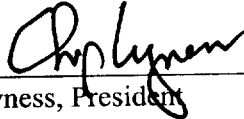
1630 Calls Creek Circle
Watkinsville, GA 30677

To Buyer: Mr. Paul C. Stone
1010 Tower Place
Bogart, GA 30622

- 15.7 *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together shall constitute one and the same instrument.
- 15.8 *Interpretation/No Presumption.* It is acknowledged by the parties that this Agreement is the result of suggestions of all parties and, therefore, no presumption shall arise favoring any party by virtue of the authorship of any of the provisions herein, or the modification, addition or deletion of provisions in any prior drafts. The parties desire, stipulate and direct that this Agreement shall be interpreted and construed solely to give effect to the mutual intent and purposes of the parties set out in the four corners of this Agreement.
- 15.9 *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 such provisions deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.
- 15.10 *Bulk Sales.* Buyer and Seller agree to waive compliance with all "Bulk Sales" or similar laws that may be applicable to the transaction that is the subject of this Agreement.
- 15.11 *Governing Law.* The parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of Georgia.
- 15.12 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed effective as of the day and year first above written.

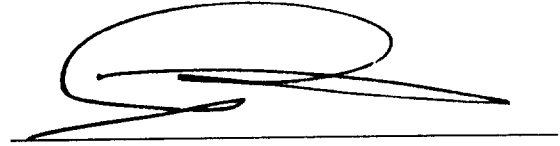
SELLER:

Briarpatch Radio, Inc.



Chip Lyness, President

BUYER:

A handwritten signature in black ink, featuring a large, stylized loop and a long, sweeping horizontal stroke that extends to the right.

Paul C. Stone