

## CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between TRACK 1 MEDIA OF STERLING, LLC (the "Company"), and WILLIAM ARNOLD ("Arnold").

### **RECITALS:**

WHEREAS, the Company has purchased all of the assets of Arnold Broadcasting Company, Inc. ("Arnold Broadcasting");

WHEREAS, Arnold was the owner of Arnold Broadcasting and has substantial expertise and experience operating the assets formerly owned by Arnold Broadcasting;

WHEREAS, the Company desires to obtain the services of Arnold in connection with issues arising during and after the transition of the business from Arnold Broadcasting to the Company; and

WHEREAS, Arnold desires to provide such services.

### **ARTICLE I**

### **AGREEMENT**

In consideration of the foregoing recitals and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Retention of Arnold as Consultant. For a period of two years, commencing on the date hereof, unless terminated sooner under Section 7 (the "Term"), the Company shall retain Arnold as a Consultant on the terms and conditions set forth herein.

3. Purposes; Activities. Arnold agrees to provide in person or by phone consulting services on transitional and operational issues relating to matters within the scope of his knowledge and expertise.

4. Independent Contractor Status. During the Term, Arnold and the Company acknowledge and agree that Arnold is an independent contractor for Federal and state income tax purposes and that Arnold shall be solely responsible for full payment of all tax liabilities on any compensation paid to him hereunder.

5. Compensation. In consideration for the performance of his duties hereunder, Arnold shall be paid the amount of \$100,000.00, which amount is included in the principal amount of the form of promissory note attached hereto as Exhibit A.

6. Expenses. Arnold shall be entitled to reimbursement for normal business expenses that Arnold is required to incur in providing the services hereunder provided they are consistent with the Company's applicable expense policies and supporting documentation is provided to the Company. Notwithstanding the foregoing, the Company shall not be required to reimburse Arnold for any single business expense in excess of \$250.00 unless Arnold obtains prior written authorization from the Company for such expense.

7. Termination. The Term shall terminate upon the occurrence of any of the following events: (a) by mutual agreement of the Company and Arnold; or (b) the date that is two years from the date hereof.

8. Confidentiality. Arnold hereby covenants and agrees that, without the prior written consent of the Company, he will not during the Term or for a period of one year thereafter disclose to any person not employed or otherwise engaged by the Company, or use in connection with engaging in competition with the Company, any confidential or proprietary information of the Company. For the purposes of this Agreement, the term "confidential or proprietary information" will include all information of any nature and in any form that is owned by the Company and is not publicly available (other than by Arnold's breach of this Section 8) or generally known to persons engaged in businesses similar or related to those of the Company. Confidential or proprietary information will include, but will not be limited to, the Company's financial matters, customers, employees, industry contracts, business plans, product development (or other proprietary product data), marketing plans, and all other secrets and all other information of a confidential or proprietary nature. For the purposes of the two preceding sentences, the term "Company" will also include any of the Company's subsidiaries or affiliates. The foregoing obligations imposed by this Section 8 will not apply (i) in the course of the business of and for the benefit of the Company during the Term, (ii) if such confidential or proprietary information shall have become generally known to the public through no fault of Arnold or (iii) if Arnold is required by law to make disclosure (after giving the Company notice and an opportunity to contest such requirement).

9. Injunctive Relief. Arnold agrees that any violation of Section 8 of this Agreement will cause the Company irreparable harm. Arnold agrees that the Company is entitled to protection from such violation, including protection by injunctive relief, in addition to other remedies available under the law.

10. Notices. All notices required to be given under this Agreement shall be in writing and shall be mailed by registered mail, return receipt requested, and addressed in either case as follows, until some other address shall have been designated in a written notice given in a like manner, and shall be deemed to be given when so mailed:

If to Arnold:

William Arnold  
14119 U.S. Highway 50  
Lamar, CO 81052  
Phone: 719-336-9080  
Fax: \_\_\_\_\_

With a copy to:

George McLachlan  
3503 First Street South, P.O. Box 1298  
Lamar, CO 81052  
(p) 719-336-7772  
Fax: 719-336-7774

If to the Company:

Track 1 Media of Sterling, LLC  
980 North Michigan Avenue, Suite 1880  
Chicago, Illinois 60611  
Attention: Larry Levy

With a copy to:

Michael W. Black, Esq.  
Ungaretti & Harris  
3500 Three First National Plaza  
Chicago, Illinois 60602

11. Severability. If any provision of this Agreement or any part hereof shall be found to be illegal, invalid or otherwise unenforceable, such provision or part thereof shall be deemed to have been deleted from this Agreement and such deletion shall not affect the remaining provision of this Agreement, which shall be given their full force and effect.

12. Entire Agreement. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter hereof, and no representations, promises, agreements or understandings, written or oral, not contained herein shall be of any force or effect.

13. Amendment. This Agreement shall be binding upon the parties hereto unless the same shall be in writing and executed by each of the parties hereto.

14. Benefit of Agreement. This Agreement shall not be assignable by Arnold, but shall be binding upon and inure to the benefit of Arnold's heirs and representatives and the successors and assigns of the Company.

15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado.

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

TRACK 1 MEDIA OF STERLING, LLC

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By:

Its:

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William Arnold

**EXHIBIT A**

**FORM OF PROMISSORY NOTE**