

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") made as of the 14th day of November, 2003, by and among (i) Graham Brothers Communications, LLC, a Texas limited liability company ("Seller"); and (ii) TOMMY R. VASCOU or his permitted assigns ("Buyer").

RECITALS:

A. Seller is the licensee of and owns and operates radio Stations KKC� licensed to Ballinger, Texas and KCSE licensed to Sterling City, Texas (the "Stations").

B. Seller desires to sell to Buyer and Buyer desires to purchase from Seller, substantially all of the assets of the Stations, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1 **DEFINITIONS**

The following terms when used in this Agreement shall have the meanings assigned to them below:

"Accounts Receivable" has the meaning specified in Section 8.3.

"Accounts Receivable List" has the meaning specified in Section 8.3.

"Accrued Taxes" has the meaning specified in Section 4.6.

"Act" means the Communications Act of 1934, as amended.

"Affiliate" of any person means any other Person (a) that directly or indirectly controls, is controlled by, or is under direct or indirect common control with, the first Person, or (b) any interests of which are owned, in whole or in part, directly or indirectly, by the first Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controls," "controlled by," and "under direct or indirect control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the Person, whether through the ownership of voting securities or by contract or otherwise.

"Asset Schedule" has the meaning specified in Section 2.1(a).

"Assigned Contracts" has the meaning specified in Section 2.1(d).

"Assumed Obligations" has the meaning specified in Section 2.3.

"Business" has the meaning specified in Section 4.1.

"Buyer Collection Period" has the meaning specified in Section 8.3.

"Buyer's Disclosure Schedule" has the meaning specified in Section 5.2.

"Closing" means the consummation of the transactions contemplated by this Agreement in accordance with the provisions of Section 10.

"Closing Date" has the meaning specified in Section 10.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contracts" has the meaning specified in Section 4.9.

"Damages" has the meaning specified in Section 13.1.

"Draw Condition" has the meaning specified in Section 14.2(a).

"Environmental Claims" means and includes, without limitation: (a) claims, demands, suits, causes of action for personal injury or lost use of property, or consequential damages, to the extent any of the foregoing arise directly or indirectly out of Environmental Conditions; (b) actual or threatened damages to natural resources; (c) claims for the recovery of response costs, or administrative or judicial orders directing the performance of investigations, response or remedial actions under CERCLA, RCRA or other Environmental Laws; (d) a requirement to implement "corrective action" pursuant to any order or permit issued pursuant to RCRA; (e) claims for restitution, contribution or equitable indemnity from third parties or any governmental agency; (f) fines, penalties or Liens against property; (g) claims for injunctive relief or other orders or notices of violation from Governmental Authorities; and (h) with regard to any present or former employees, exposure to or injury from Environmental Conditions.

"Environmental Conditions" means conditions of the environment, including the ocean, natural resources (including flora and fauna), soil, surface water, ground water, any present or potential drinking water supply, subsurface strata or the ambient air, relating to or arising out of the use, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaking, pumping, pouring, emptying, discharging, injecting, escaping, leaching, disposal, dumping, or threatened release of Hazardous Materials by Seller. With respect to claims by employees, Environmental Conditions also includes the exposure of Persons to Hazardous Materials within work places on any real estate owned or occupied by Seller.

"Environmental Laws" has the meaning specified in the definition of Hazardous Materials.

"Environmental Noncompliance" means, but is not limited to: (a) the release or threatened release as a result of the activities of Seller of any Hazardous Materials into the environment, any storm drain, sewer, septic system or publicly owned treatment works, in violation of any effluent emission limitations, standards or other criteria or guidelines established by any federal, state or local law, regulation, rule, ordinance, plan or order; and (b) any facility operations, procedures, designs, etc. which do not conform to the statutory or regulatory requirements of the CAA, the CWA, the TSCA, the RCRA or any other Environmental Laws intended to protect public health, welfare and the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agreement" has the meaning specified in Section 3.2.

"Excluded Assets" has the meaning specified in Section 2.2.

"FCC" means the Federal Communications Commission.

"FCC Application" has the meaning specified in Section 9.1(a).

"FCC Approval" has the meaning specified in Section 9.1(a).

"FCC Licenses" means the main Stations license for the Stations, together with each of the other consents, rights, licenses, permits and other authorizations issued by the FCC and held by Seller in connection with, or pertaining to, the conduct of the business and operation of the Stations, together with any renewals and extensions thereof and any applications therefor pending on the Closing Date, and any and all applications made by Seller for such consents, rights, licenses, permits and other authorizations.

"Final Order" means a written action or order issued by the FCC or its staff as to which the time within which any party in interest other than the FCC may seek administrative or judicial reconsideration or review of such action or order has expired and no petition for such reconsideration or review has been timely filed with the FCC or with a court of competent jurisdiction, and the normal time within which the FCC may review such action or order on its own motion has expired and the FCC has not undertaken such review.

"Governmental Authority" means any government, whether federal, state or local, or any other political subdivision thereof, or any agency, tribunal or instrumentality of any such governmental or political subdivision, or any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" means hazardous wastes, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases including

but not limited to substances defined as "PCBs," "hazardous wastes," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," "petroleum," or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 9601; the Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act ("CAA"), 42 U.S.C. § 7401 et seq.; or any similar state law; and in the plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar laws, regulations, rules or ordinances now in effect (collectively, the "Environmental Laws"); and any other substances, constituents or wastes subject to environmental regulations under any applicable federal, state or local law, regulation or ordinance.

"Indebtedness for Borrowed Money" means (a) all indebtedness of Seller in respect of money borrowed (including, without limitation, indebtedness which represents the unpaid amount of the purchase price of any property), (b) all indebtedness of Seller evidenced by a promissory note, bond or similar written obligation to pay money, (c) all indebtedness guaranteed by Seller or for which Seller is contingently liable, including, without limitation, guaranties in the form of an agreement to repurchase or reimburse, and any commitment by which any such Person assures a creditor against loss, including contingent reimbursement obligations with respect to letters of credit, and (d) all monetary obligations of Seller under any lease or similar arrangement, which obligations would be classified and accounted for as capital obligations on a balance sheet of Seller under Tax Basis Accounting.

"Indemnatee" has the meaning specified in Section 13.3.

"Indemnitor" has the meaning specified in Section 13.3.

"Intellectual Property" has the meaning specified in Section 2.1(e).

"Leaseholds" has the meaning specified in Section 4.8.

"Lien" means any mortgage, pledge, hypothecation, assignment, encumbrance, claim, easement, transfer restriction (but excluding, as to the FCC Licenses, transfer restrictions generally imposed by the FCC), lien (statutory or otherwise) or security interest of any kind or nature whatsoever.

"Obligations" means, without duplication, all (a) Indebtedness for Borrowed Money, (b) Accrued Taxes, accounts payable, accrued liabilities and all other liabilities and obligations of the type normally required by Tax Basis Accounting to be reflected on a balance sheet, (c) commitments by which Seller assures a creditor against loss, including the face amount of

all letters of credit and, without duplication, all drafts drawn thereunder, (d) obligations guaranteed in any manner by Seller, (e) obligations under capitalized leases in respect of which obligations Seller is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person assures a creditor against loss, (f) obligations secured by a Lien on property of Seller, (g) obligations under interest rate or currency exchange or swap agreements, (h) unsatisfied obligations for "withdrawal liability" to a "multiemployer plan" as such terms are defined under ERISA, (i) indebtedness issued or obligation incurred in substitution or exchange for any Obligations, (j) costs or expenses incurred by Seller of any nature, whether or not currently payable, and (k) other liabilities or obligations of Seller, in each of the foregoing instances whether absolute or contingent, known or unknown, and whether or not normally required by Tax Basis Accounting to be reflected on a balance sheet.

"Permits" has the meaning specified in Section 4.17(b).

"Permitted Exceptions" means those certain title exceptions which do not affect the Real Property in any material respect and which are acceptable to Buyer in its reasonable discretion.

"Person" means an individual, limited liability company, partnership, joint venture, joint stock company, association, trust, business trust, unincorporated organization, Governmental Authority, or any other entity of whatever nature.

"Personal Property" has the meaning specified in Section 2.1(a).

"Promissory Note" has the meaning specified in Section 3.1.

"Purchased Assets" has the meaning specified in Section 2.1.

"Purchase Price" has the meaning specified in Section 3.1.

"Real Property" has the meaning specified in Section 2.1(b).

"Real Property Leases" has the meaning specified in Section 2.1(c).

"Seller Transaction Documents" has the meaning specified in Section 12.1.

"Seller's Disclosure Schedule" has the meaning specified in Section 4.3.

"Stations" has the meaning specified in the recitals to this Agreement.

"Supplemental Financial Statements" has the meaning specified in Section 6.10.

"Tax Basis Accounting" means the cash basis of accounting in accordance with Internal Revenue Service Regulations.

"Taxes" means all taxes, charges, fees, levies, or other assessments, including income, gross receipts, excise, property, sales, transfer, license, payroll, and franchise taxes, any taxes required by law to be withheld, and any taxes payable as a result of the consummation of the transactions contemplated by this Agreement, which taxes are imposed by any Governmental Authority; and such term shall include any interest, penalties, or additions to tax attributable to such assessments.

"Trade Agreements" has the meaning specified in Section 6.9.

"Trade Imbalance" has the meaning specified in Section 6.9.

"Trade Liabilities" has the meaning specified in Section 6.9.

"Trade Receivables" has the meaning specified in Section 6.9.

"Trade Schedule" has the meaning specified in Section 6.9.

SECTION 2

PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Purchased Assets. Subject to the terms and conditions of this Agreement, and on the basis of the representations, warranties, covenants and agreements contained in this Agreement, at the Closing, Seller agrees to sell, assign and convey to Buyer and Buyer agrees to purchase, acquire and accept from Seller, all of the Purchased Assets. The "Purchased Assets" consist of:

1. All of the right, title and interest of Seller in and to all tangible personal property, improvements and fixtures of every kind or nature used in the operation of the Stations in the ordinary course of business (the "Personal Property"), including, without limitation, the personal property described on Schedule 2.1 to this Agreement (the "Asset Schedule");
2. All of the right, title and interest of Seller in and to any real property used in the operation of the Stations in the ordinary course of business which are described on the Asset Schedule (the "Real Property");
3. All of the right, title and interest of Seller in and to any Real Property Leases used in the operation of the Stations in the ordinary course of business which are described on the Asset Schedule (the "Real Property Leases");

4. All of the right, title and interest of Seller in and to those contracts, leases, licenses, memberships, agencies, permits and agreements, other than the Real Property Leases and the FCC Licenses, to which Seller presently is a party or an assignee of a party which are described on the Asset Schedule (the "Assigned Contracts"), including the employment agreements listed on the Asset Schedule, if any;
5. The call letters of the Stations and all of the service marks, copyrights, trademarks, trade names and other similar rights, including applications and registrations therefor, used in connection with the past or present operation of the Stations in which Seller has any right, title or interest, including, without limitation, those items listed on the Asset Schedule (collectively, the "Intellectual Property");
6. The FCC Licenses, a complete list of which is included on the Asset Schedule;
7. All books, records, files, reports, studies and accounts relating to the operation of the Stations, subject to the right of Seller to make and retain photocopies thereof for Seller's personal use and reference and to obtain access to such books, records, files, reports, studies and accounts in accordance with the provisions of Section 2.2(a) subject to the right of Seller to review said records on an as-needed basis; and
8. All other assets owned by Seller as of the date of this Agreement which are used or useful in connection with the operation of the Stations as of the date of this Agreement, real and personal, tangible and intangible.

2.2 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, it is expressly understood and agreed that there shall be excluded from the assets transferred or assigned to Buyer the following assets and property (collectively, the "Excluded Assets");

1. Except to the extent included in Section 2.1(h), all of Seller's corporate books and records and other documents relating to the internal corporate affairs of Seller, and all other corporate records or files of Seller not relating to the business or operation of the Stations and all original invoices in support of accounts payables and paid invoices;
2. All cash, cash equivalents or similar type investments held by Seller, such as certificates of deposit, treasury bills and other marketable securities on hand as of the Closing;
3. All insurance policies and rights regarding employee pension and/or profit sharing plans;
4. All accounts receivable of Seller existing as of 12:01 A.M. on the Closing Date;

5. Assets not used or useful in connection with the Stations;
6. Any and all claims of Seller with respect to transactions occurring or arising prior to the Closing Date, including, without limitation, claims for Tax refunds;
7. Those additional assets identified on Schedule 2.2 as Excluded Assets, if any; and
8. All contracts not specifically listed on the Asset Schedule.

Notwithstanding the foregoing, any asset which is described above but which is actually listed on the Asset Schedule shall be a Purchased Asset and not an Excluded Asset.

2.3 Obligations. Buyer shall not assume, and shall purchase the Purchased Assets free and clear of, any and all Obligations of Seller, except that Buyer shall assume those Obligations of Seller arising after 12:01 A.M. on the Closing Date (other than any liability or obligation for breach or default which occurred prior to the Closing Date) pursuant to each of (a) the Real Property Leases, (b) the Assigned Contracts, (c) those items subject to proration pursuant to Section 10.2, (d) the Trade Liabilities and (e) those additional items expressly set forth on Schedule 2.3 to this Agreement, if any (collectively, the "Assumed Obligations").

SECTION 3 PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Purchased Assets shall be Eight Hundred Seventy Five Thousand Dollars (\$875,000.00) (the "Purchase Price"). The Purchase Price shall be paid as follows: At the Closing, Buyer shall deliver to Seller immediately available funds in the amount of the Purchase Price.

9. Five Hundred Fifty Thousand Dollars (\$550,000.00) at closing.
10. A Promissory Note substantially in the form attached hereto as Exhibit "A" dated as of the date of closing executed by Buyer and payable to Seller in the original principal amount of Two Hundred Seventy Five Thousand Dollars (\$275,000.00) ("Promissory Note") providing for an interest rate of 6% per annum and payable in quarterly interest installments of Four Thousand One Hundred Twenty-Five Dollars (\$4,125.00) each per quarter for the initial two-year period and thereafter in quarterly principal installments including interest as set out in the attached Promissory Note for an additional two-year period and then in one installment of the entire unpaid balance of One Hundred Fifty-Seven Thousand Seven Dollars and Eighty-One Cents (\$157,007.81) on the fourth anniversary date of Closing. The indebtedness represented by this Note will be subordinate to any indebtedness owed to any third party lender. Additionally, this Note shall be secured as set out in Section 3.4 below.

Buyer shall have the right to pre-pay this Promissory Note or any portion thereof prior to the loan maturity without penalty.

11. An advertising credit, the Advertising Credit Agreement substantially in the form attached hereto as Exhibit "B," to the benefit of the Seller in the amount of Fifty Thousand Dollars (\$50,000.00) for the future purchase of advertising airtime on the Stations to be used within three years of the anniversary of the Closing.

3.2 Escrow Deposit. Simultaneously with the execution of this Agreement, Buyer shall deliver, or cause to be delivered, to Seller's bank, an "Escrow Agreement," in the amount of Twenty Thousand Dollars (\$20,000.00) in immediately available funds, attached hereto as Exhibit "C." The "Escrow Agreement" shall provide that the Seller's bank shall make payment of the "Escrow Deposit" to Seller upon such bank's receipt of a joint certificate from the President of Seller and from the Buyer or his permitted assigns certifying that a Default Condition has occurred. At the Closing, Seller shall accept the Escrow Deposit as a credit to Buyer on the purchase price.

3.3 Allocation of the Purchase Price. The parties hereto shall report the transactions contemplated by this Agreement for federal and state tax purposes in a manner consistent with the allocation of the Purchase Price as identified in Schedule 3.3 attached hereto.

3.4 Security for Buyer's Obligations. Buyer's Obligations to Seller under this Agreement shall be secured by a subordinate security interest in all of the Assets purchased by Buyer hereunder, including a Second Lien Deed of Trust on the Real Property and Real Property Leases and a Second Lien Security Agreement on the Personal Property. Such security interest shall be subordinate only to Buyer's Lender. At the Closing, Buyer shall execute and deliver to Seller the Second Lien Deed of Trust and Second Lien Security Agreement substantially in the forms attached hereto as Exhibits "D" and "E" and a Subordination Agreement substantially in the form attached hereto as Exhibit "F," subject to the approval of Buyer's third party lender.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF SELLER

In connection with the purchase and sale of the Purchased Assets under this Agreement and in order to induce Buyer to enter into and consummate the transactions contemplated by this Agreement, Seller makes the following representations and warranties to Buyer, as of the date of this Agreement and as of the date of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the date hereof or thereof, which shall be made as of the specified time or times):

4.1 Organization and Qualification. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas and has full corporate power and authority to own its assets and properties and to conduct the business in which Seller is now engaged (the "Business"). Seller has full power, authority and legal right and all necessary

approvals, permits, licenses and authorizations to own its properties and to conduct the Business. Seller's principal place of business is located in San Angelo, Texas. Seller does not own, of record or beneficially, or have the right or obligation to acquire, any capital stock or equity interest or investment in any Person.

4.2 Authority. The execution and delivery of this Agreement by Seller, the performance by Seller of its covenants and agreements hereunder and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement constitutes the valid and legally binding agreement of Seller, enforceable in accordance with its terms.

4.3 No Legal Bar; Conflicts. Neither the execution and delivery of this Agreement by Seller, nor the consummation of the transactions contemplated hereby by Seller violates or will violate any provision of the Articles of Organization and Regulations of Seller, or any law, rule, regulation, writ, judgment, injunction, decree, determination, award or other order of any Governmental Authority, or violates or will violate, or conflicts with or will conflict with, or will result in any breach of any of the terms of, or constitutes or will constitute a default under or results in or will result in the termination of or the creation or imposition of any Lien pursuant to, the terms of any contract, commitment, agreement, understanding or arrangement of any kind to which Seller is a party or by which Seller or any of the assets of Seller is bound. Except for the FCC Approval, FCC filings in connection therewith and the consents disclosed in Schedule 4.0 to this Agreement ("Seller's Disclosure Schedule"), no consents approvals or authorizations of, or filings by Seller with, any Governmental Authority or any other Person are required in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

4.4 Financial Statements. **Seller shall have delivered to Buyer the following in-house financial statements with respect to the Stations:** Annual Financial Statements for the years 2001, 2002, and monthly Financial Statements for year-to-date 2003 until closing. Each of the foregoing financial statements (including in all cases the notes thereto, if any) (i) is accurate and complete in all material respects, (ii) is consistent in all material respects with the books and records of Seller (which, in turn, are accurate and complete in all material respects) and (iii) fairly presents in all material respects the financial condition and results of operations of Seller in accordance with Tax Basis Accounting (subject to the lack of footnote disclosure and changes resulting from normal year-end audit adjustments), consistently applied, as of the dates and for the periods set forth therein.

4.5 Absence of Certain Changes. Since August 30, 2003, except as disclosed in Seller's Disclosure Schedule, there has not been any (a) material adverse change in the condition of the Stations, financial or otherwise, or in the results of operations, assets, liabilities or business of the Stations; (b) material damage or destruction, whether or not insured, affecting the business operations of the Stations; (c) labor dispute or threatened labor dispute involving any of the employees of the Stations; (d) actual or threatened dispute pertaining to the Stations with any material provider of software, hardware or services; (e) material change in the customary methods of operations of the Stations; (f) except in the ordinary course of business or to the extent not material

to the Business or financial condition of the Stations, (i) sale or transfer of any tangible or intangible asset used or useful in the operation of the Stations, (ii) mortgage, pledge or imposition of any Lien on any such tangible or intangible asset, (iii) modification, amendment or cancellation of any of its existing leases relating to the Stations, (iv) cancellation of any debt or claim of Seller relating to the Stations or (v) increases in the compensation of any of the employees of Seller who work solely at the Stations, or (vi) liability or obligation (contingent or otherwise) incurred under agreements or otherwise, except current liabilities entered into or incurred in the ordinary course of business consistent with past practices.

4.6 Taxes. Except as disclosed in Seller's Disclosure Schedule, Seller has filed or caused to be filed on a timely basis all federal, state, local and other tax returns, reports and declarations required to be filed by it with respect to the Stations and has paid all Taxes (including, but not limited to, income, franchise, sales, use, unemployment, withholding, social security and workers' compensation taxes and estimated income and franchise tax payments, penalties and fines) reflected as due on such returns, reports or declarations (whether or not shown on such returns, reports or declarations), or pursuant to any assessment received by either of them in connection with such returns, reports or declarations. All such returns, reports and declarations filed by or on behalf of Seller are true, complete and correct in all material respects as of their filing dates. Except as disclosed in Seller's Disclosure Schedule, no deficiency in payment of any Taxes for any period has been asserted against Seller by any taxing authority which remains unsettled as of the date hereof, no written inquiries have been received by Seller from any taxing authority with respect to possible claims for taxes or assessments, and, to the best of the knowledge of Seller, there is no basis for any additional claims or assessments for Taxes.

Except as disclosed in Seller's Disclosure Schedule, since August 30, 2003, Seller has not incurred any liability for Taxes that materially affect the operation of the Stations other than in the ordinary course of business. All Taxes attributable to the Stations or their income, operations or properties accruing up to and including the Closing (the "Accrued Taxes") have been or will be paid when due regardless of whether such Taxes are due and payable as of the Closing, except the foregoing shall not apply with respect to FCC regulatory fees due after the Closing.

4.7 Asset Schedule. The Asset Schedule includes complete and accurate (a) listings of all Real Property; (b) listings of all material Personal Property included in the sale; (c) descriptions of all Real Property Leases and Assigned Contracts, none of which requires any consent of third parties in connection with the transactions contemplated hereby, except as indicated with an asterisk in the Asset Schedule; (d) listings of all of the Intellectual Property; and (e) listings of all of the FCC Licenses, all of the foregoing of which will, as of the Closing, be owned and held by Seller as described herein and as reflected in the Asset Schedule.

4.8 Title and Condition of Property.

12. Title. Seller will as of the Closing have good and marketable title to and undisputed possession of all of the Personal Property included in the Purchased Assets (other

than the Real Property). Except as set forth on Seller's Disclosure Schedule, the Purchased Assets (other than the Real Property) are now free and clear of all Liens. The Purchased Assets (other than the Real Property) will, as of the Closing, be free and clear of all Liens.

13. Condition. The Personal Property is in good physical and operating condition and repair, ordinary wear and tear excepted, adequate and suitable for the operation of the Stations as it is currently being operated, and in proper condition and repair so that the Stations can operate according to its FCC Licenses, the rules, regulations and policies of the FCC and in all other respects in compliance with the Act and all other applicable federal and state laws.
14. Insurance. The Personal Property included among the Purchased Assets is and will be insured through the Closing Date in amounts adequate to replace or repair any casualty or other insurable loss to any of such property.
15. Sufficiency of Assets. The Purchased Assets, together with the Excluded Assets, include all of the assets that are necessary to permit Buyer to operate the Stations immediately upon the closing in the ordinary course of business and consistent with the past practices of Seller.
16. [Intentionally omitted]
17. Real Property.
 1. The Asset Schedule contains an accurate description of the location of each parcel of the Real Property and the type of facility located on each such parcel. Seller will as of the Closing have good and marketable title to the Real Property, in fee simple, subject only to the Permitted Exceptions.
 2. Except as disclosed in Seller's Disclosure Schedule, none of the Real Property is subject to any covenant or restriction preventing or limiting in any respect the consummation of the transactions contemplated hereby. Seller's right, title and interest in and to the Real Property will at the Closing be held by Seller free and clear of all Liens.
 3. The use for which the Real Property is zoned permits the use thereof for the Business consistent with past practices. The use and occupancy of the Real Property by Seller are in compliance in all material respects with all regulations, codes, ordinances and statutes applicable to Seller and the Business, and Seller has not received any notice asserting any material violation of sanitation laws and regulations, occupational safety and health regulations, or electrical codes.

4. There are no condemnation proceedings or eminent domain proceedings of any kind pending or, to the best of the knowledge of Seller, threatened against the Real Property.
5. If required, all of the Real Property is occupied under a valid and current certificate of occupancy or similar permit. There are no facts that would prevent the Real Property from being occupied and used by Buyer after the Closing Date in the same manner as immediately prior to the Closing.
6. The Real Property constitutes all of the real property which is owned by Seller and which is or will prior to Closing be used in the operation of the Stations.
7. The Real Property is now and on the Closing Date will be freely accessible directly from public streets, or any use of adjoining private land to access the same is done in accordance with valid public or private easements. Any such private easements are now and on the Closing Date will be in full force and effect, and will be conveyable to Buyer as a part of the Real Property.
8. All utilities required for the operation of the Business on the Real Property and improvements thereon now or on the Closing Date will either enter the Real Property through adjoining public streets, or if they pass through adjoining private land, they do so in accordance with valid easements and all such utility facilities are located within such easements.
9. On the Closing Date, there will be no leases, rental agreements, employment contracts, or material contracts for service or maintenance existing and relating to or connected with the occupancy or operation of the Business on the Real Property. Except as disclosed in the Asset Schedule, on the Closing Date, there will be no leases, rental agreements, employment contracts, or material contracts for service or maintenance existing and relating to or connected with the occupancy or operation of the Real Property.

4.9 Contractual and Other Obligations. Set forth in the Asset Schedule is a listing of (a) the Real Property Leases; (b) all contracts, agreements, licenses, leases, arrangements and other documents, other than the FCC Licenses, used solely in connection with the present operation of the Stations to which Seller is a party or by which Seller or any of the assets of Seller are bound (including, in the case of loan agreements, a description of the amounts of any outstanding borrowings thereunder and the collateral, if any, for such borrowings); (c) uncompleted orders for the purchase by Seller of materials, supplies, equipment and services for the requirements of the Stations existing as of the date hereof; and (d) contingent contractual obligations and liabilities of Seller known to Seller existing as of the date hereof (all of the foregoing, collectively, the "Contracts").

Each of the Contracts is designated in the Asset Schedule either as an Assigned Contract, or as a Contract that will not be assigned to Buyer. Neither Seller nor, to the best of the knowledge of Seller, any other Person is in material default in the performance of any covenant or condition under any Contract and no claim of such a default has been made and no event has occurred to the best knowledge of Seller which with the giving of notice or the lapse of time would constitute such a default under any covenant or condition under any Contract. Seller is not a party to any Contract that would terminate or be materially adversely affected by the consummation of the transactions contemplated by this Agreement. Originals or true, correct and complete copies of all of the Assigned Contracts have been provided to Buyer as of the date of this Agreement.

4.10 Compensation. Set forth in Seller's Disclosure Schedule is a list of (a) all agreements between Seller and its employees or other Persons providing services for compensation with regard to the Stations, whether individually or collectively; and (b) all employees of Seller or other Persons providing services for Seller with respect to the Stations and their respective positions, job categories and salaries. The transactions contemplated by this Agreement will not result in any liability for severance pay to any such employee or other Person. Except in the ordinary course of business, Seller has not informed any such employee or other Person that such Person will receive any increase in compensation or benefits or any ownership interest in Seller or the Business. Except as disclosed in Seller's Disclosure Schedule, all current employees of Seller are "at will" employees and may be terminated by Seller at any time, without liability or obligation, except the payment of normal compensation accrued up to the time of termination of employment.

4.11 Employee Benefit Plans.

18. Seller does not maintain or sponsor, and is not required to make contributions to, any pension, profit-sharing, savings, bonus, incentive or deferred compensation, severance pay, medical, life insurance, welfare or other employee benefit plan which affects the employees working at the Stations, except as set forth in Seller's Disclosure Schedule. Seller's Disclosure Schedule discloses all of the plans, funds, policies, programs, arrangements or understandings sponsored or maintained by Seller pursuant to which any employee of the Stations (or any dependent or beneficiary of any such employee) might be or become entitled to (1) retirement benefits; (2) severance or separation from service benefits; (3) incentive, performance, stock, share appreciation or bonus awards; (4) health care benefits; (5) disability income or wage continuation benefits; (6) supplemental unemployment benefits; (7) life insurance death or survivor's benefits; (8) accrued sick pay or vacation pay; (9) any type of benefit offered under any arrangement subject to characterization as an "employee welfare benefit plan" within the meaning of section 3(3) of ERISA; or (10) benefits of any other type offered through any arrangement that could be characterized as providing for additional compensation or fringe benefits. As to any such plan, fund, policy, program, arrangement or understanding, all of the following are true: (A) all amounts due as contributions, insurance premiums and benefits to the date hereof have been fully paid by Seller; (B) all

applicable material requirements of law have been observed with respect to the operation thereof, and all applicable reporting and disclosure requirements have been timely satisfied; and (C) Seller is not aware of any claim or demand by any employee (or beneficiary or dependent of any employee) for benefits (other than routine claims for benefits), or by any taxing authority for taxes or penalties which has not been satisfied in full or which may be or become subject to litigation or arbitration.

19. To the best of Seller's knowledge and except as disclosed in Seller's Disclosure Schedule, Seller has no obligation to provide health or other welfare benefits to former, retired or terminated employees, except as specifically required under Section 4980B of the Code. Seller has substantially complied with any applicable notice and continuation requirements of Section 4980B of the Code and the regulations thereunder.

4.12 Labor Relations. To the best of Seller's knowledge, there have been no material violations of any federal, state or local statutes, laws, ordinances, rules, regulations, orders or directives with respect to the employment of individuals by, or the employment practices or work conditions of, Seller, or the terms and conditions of employment, wages (including overtime compensation) and hours. The Stations are not engaged in any unfair labor practices or other unlawful employment practices and there are no charges of unfair labor practices or other employee-related complaints pending or, to the best of the knowledge of Seller, threatened against the Stations before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Review Commission, the Department of Labor, or any other Governmental Authority. There is no strike, picketing, slowdown or work stoppage or organizational attempt pending or, to the best of the knowledge of Seller, threatened against or involving the Stations. No issue with respect to union representation is pending or, to the best of the knowledge of Seller, threatened with respect to the employees of the Stations.

4.13 Vacation Benefits. A description of Seller's vacation policy is set forth in Seller's Disclosure Schedule. No employee of Seller who works solely at the Stations is entitled to vacation time in excess of two weeks during the current calendar year and no such employee has any accrued vacation time with respect to any period prior to the current calendar year, except as set forth in Seller's Disclosure Schedule.

4.14 Insurance. Seller maintains insurance policies covering all of its properties and assets and the various occurrences which may arise in connection with the operation of the Stations, each of which policies is summarized in Seller's Disclosure Schedule. Such policies are in full force and effect and all installments of premiums due thereon have been paid in full. Seller has complied in all material respects with the provisions of such policies. To the best of the knowledge of Seller, there are no notices of any pending or threatened termination or premium increases with respect to any of such policies. To the best knowledge of Seller, there has not been any casualty loss or occurrence which may give rise to any claim of any kind not covered by insurance.

4.15 Litigation; Disputes. Except as set forth in Seller's Disclosure Schedule, there are no claims, disputes, actions, suits, investigations or proceedings pending or, to the best of the knowledge of Seller, threatened against or affecting the Stations other than proceedings affecting the broadcasting industry in general, and, to the best of the knowledge of Seller, there is no basis for any such claim, dispute, action, suit, investigation or proceeding. Seller is not in default in respect of any judgment, order, writ or injunction of any Governmental Authority with respect to the operation of the Stations.

4.16 Environmental.

20. To the best of Seller's knowledge, except as specifically described on Seller's Disclosure Schedule, (i) there are no conditions, facilities, procedures or any other facts or circumstances that constitute Environmental Noncompliance on any of the Real Property or Leaseholds and (ii) there is not constructed, placed, deposited, stored, disposed of, nor located on any of the Real Property or Leaseholds any asbestos in any form that has released or, unless disturbed, threatens to release airborne asbestos fibers in excess of applicable local, state and federal standards.
21. To the best of Seller's knowledge, except as specifically described on Seller's Disclosure Schedule, no structure, improvements, equipment, fixtures, activities or facilities located on any of the Real Property uses Hazardous Materials except those used in the ordinary course of the Business and in compliance with applicable Environmental Laws.
22. To the best of Seller's knowledge, except as specifically described on Seller's Disclosure Schedule, there have been no releases or threatened releases of Hazardous Materials into the environment, or which otherwise contribute to Environmental Conditions arising solely from the activities of Seller, or to the best of the knowledge of Seller, arising from any other activities, except to the extent that such releases or threatened releases do not constitute a condition of Environmental Noncompliance relating to any of the Real Property or Leaseholds.
23. To the best of Seller's knowledge, except as specifically described on Seller's Disclosure Schedule, there are no underground storage tanks, above ground storage tanks, or underground piping associated with tanks, used for the management of Hazardous Materials at any of the Real Property or Leaseholds and there are no abandoned underground storage tanks at any of the Real Property or Leaseholds.
24. Seller is not subject to any Environmental Claims, no Environmental Claims have been threatened, nor, to the best knowledge of Seller, is there any basis for any such Environmental Claims.

4.17 Permits, Compliance with Applicable Law.

25. General. Except as disclosed in Seller's Disclosure Schedule, Seller is not in material default under any, and has complied with all statutes, ordinances, regulations, orders, judgments and decrees of any Governmental Authority applicable to it or to the Business or the assets and properties of Seller as to which a default or failure to comply might result in any material adverse change in the condition, financial or otherwise, assets or properties of Seller or the Business. To the best of the knowledge of Seller, there is no reasonable basis for assertion of any such failure to comply or for any claim for compensation or damages or otherwise arising out of any such failure to comply. Seller has not received any notification of any asserted present or past such failure to comply that has not been satisfactorily responded to.
26. Permits and General FCC Matters. Set forth in the Asset Schedule are complete and accurate lists of all FCC Licenses applicable to the Stations, all other permits, licenses, approvals, franchises and authorizations issued by any Governmental Authorities (collectively, the "Permits"), held by Seller and applicable to the Stations. Except as set forth in Seller's Disclosure Schedule, to the best of Seller's knowledge and belief, the Stations are operating in material accordance with the Act and the FCC Licenses and is in material compliance with the rules, regulations and policies of the FCC. All material reports and filings required to be filed with the FCC with respect to the Stations have been timely filed. All such reports and filings are accurate and complete in all material respects. A public file for the Stations is maintained as required by FCC rules. The Permits are all of the permits, licenses, approvals, franchises and authorizations required for the conduct of the Business. All of the Permits are in full force and effect, and Seller has not engaged in any activity which would cause or permit revocation or suspension of any such Permit, and no action or proceeding that would cause or permit revocation or suspension of any such permit is pending or threatened. Seller is aware of no facts and Seller has not received any notice or communications, formal or informal, indicating that the FCC is considering revoking, suspending, canceling, rescinding or terminating any of the FCC Licenses. There are no existing defaults or events of default or events or state of facts that with notice or lapse of time or both would constitute a default by Seller under any Permit. There is no default or, to the best of the knowledge of Seller, claimed or purported or alleged default or state of facts which with notice or lapse of time or both would constitute a default on the part of any party in the performance of any obligation to be performed or paid by any party under any Permit. Except for the requirement that the FCC Approval be obtained and except as set forth in Seller's Disclosure Schedule, the consummation of the transactions contemplated hereby will in no way affect the continuation, validity or effectiveness of the Permits, or require the consent of any Person.

The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides"

recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC's rules.

4.18 Intellectual Property. To the best of Seller's knowledge, the use of the Intellectual Property in connection with the operation of the Stations and in a manner consistent with past practices does not infringe upon the proprietary rights of any other person. Buyer will, upon consummation of the transactions contemplated by this Agreement, possess adequate rights, licenses and other authority to use the Intellectual Property used by Seller in the operation of the Stations following the Closing in the manner now operated, to the best of the knowledge of Seller, without infringement upon the proprietary rights of any other Person. To the best of the knowledge of Seller, there has not been any infringement by any Person upon the rights of Seller with respect to the Intellectual Property. Seller has not granted any outstanding licenses or other rights to any of the call letters, copyrights, trademarks, trade names or other similar rights with regard to any of the Intellectual Property.

4.19 Books and Records. The books of account of Seller fairly and accurately reflect its income, expenses, assets and liabilities and have been maintained in accordance with good business practices. All of such books and records, to the extent included within the Purchased Assets, will be located on the date of the Closing on the business premises of the Stations.

4.20 Acts to be Performed. Seller shall perform each of the covenants, acts and undertakings required of Seller, as applicable, to be performed on or before the Closing Date pursuant to the terms of this Agreement.

4.21 Related Party Obligations. Except as set forth on Seller's Disclosure Schedule, no officer, director, shareholder or Affiliate of Seller, or any individual related by blood or marriage to any such Person, or any entity in which any such Person owns any beneficial interest, is a party to any agreement, contract, commitment, promissory note, loan, any other actual or proposed transaction with Seller, or has any material interest in any material property used by Seller, which is material to the operation of the Stations.

4.22 Disclosure. To the best of the knowledge of Seller, no representation, warranty or covenant made by Seller in this Agreement or in the schedules or exhibits to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements in this Agreement or in the schedules or exhibits to this Agreement not misleading.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF BUYER

In connection with the purchase and sale of the Purchased Assets under this Agreement and in order to induce Seller to enter into and consummate the transactions contemplated by this

Agreement, Buyer makes the following representations and warranties to Seller, as of the date of this Agreement and as of the date of the Closing (except for the representations and warranties expressly and specifically relating to a time or times other than the date hereof or thereof, which shall be made as of the specified time or times):

5.1 Authority. The execution and delivery of this Agreement by Buyer and the performance by Buyer of its respective covenants and agreements hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Buyer. This Agreement constitutes a valid and legally binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and by equitable principles.

5.2 No Legal Bar; Conflicts. Neither the execution and delivery of this Agreement by Buyer, nor the consummation of the transactions contemplated hereby by Buyer, violates or will violate any law, rule, regulation, writ, judgment, injunction, decree, determination, award or other order of any Governmental Authority including present FCC local ownership rules and new rules most recently adopted by the FCC, or violate or will violate, or conflicts with or will conflict with, or will result in any breach of any of the terms of, or constitutes or will constitute a default under or results in or will result in the termination of or the creation or imposition of any Lien pursuant to the terms of, any contract, commitment, agreement, understanding or arrangement of any kind to which Buyer is a party or by which Buyer or any of the assets of Buyer is bound. Except for the FCC Approval, FCC filings in connection therewith and the consents disclosed in Schedule 5.0 ("Buyer's Disclosure Schedule"), no consents, approvals or authorizations of, or filings by Buyer with any Governmental Authority or any other Person are required on the part of Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

5.3 Acts to be Performed. Buyer shall perform each of the covenants, acts and undertakings required of Buyer, as applicable, to be performed on or before the Closing Date pursuant to the terms of this Agreement.

5.4 Litigation: Disputes. Except as set forth in Buyer's Disclosure Schedule, there is no claim, dispute, action, suit or proceeding pending, or to Buyer's knowledge, threatened against Buyer with respect to the transactions contemplated hereby.

5.5 FCC Qualifications. Buyer has the requisite legal, financial and other qualifications under the Act and the rules, regulations and policies of the FCC to acquire the FCC Licenses from Seller. There are no legal, administrative or other proceedings pending or to Buyer's knowledge, threatened against Buyer before or by a Governmental Authority that would reasonably be expected to have a material adverse effect on the consummation of the transactions contemplated hereby.

5.6 Financing. On the Closing Date, Buyer will have available to it sufficient financial resources to complete the transactions contemplated hereby.

5.7 Disclosure. To the best of the knowledge of Buyer, no representation, warranty or covenant made by Buyer in this Agreement or in the schedules or exhibits to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements in this Agreement or in the schedules or exhibits to this Agreement not misleading.

SECTION 6 AFFIRMATIVE COVENANTS OF SELLER

Seller covenants and agrees with Buyer to:

6.1 Compliance With Law. From the date hereof until the Closing Date, comply with all applicable laws and regulations required for the valid and effective consummation of the transactions contemplated hereby.

6.2 Payment of Obligations. From the date hereof until the Closing Date, pay, perform or discharge all Obligations of Seller, including but not limited to any unpaid taxes, except for the Assumed Obligations, on a timely basis and in the ordinary course of business.

6.3 Access. From the date hereof until the Closing Date, afford Buyer and his authorized representatives, upon reasonable notice to the Seller, reasonable access during normal business hours to the Stations and the Station's employees, and permit Buyer and his authorized representatives to examine all operations, equipment, properties and other assets, logs, books, relevant records, contracts and documents of Seller pertinent to the Stations provided, however, that in each instance mutually satisfactory arrangements shall be made in advance in order to avoid interruption and to minimize interference with the normal business and operations of the Stations.

6.4 Preservation of Organization. From the date hereof until the Closing Date, exercise all reasonable efforts to preserve the business operations of the Stations, and assist Buyer, as and when reasonably requested by Buyer, to preserve the present relationship of the Stations with employees, suppliers, advertisers and customers and others having business relationships with the Stations; provided, however, that nothing contained in this Agreement shall require Seller to expend money in fulfillment of its obligations set forth in this Section 6.4 other than those expenditures that Seller would have made in the ordinary course of the business of the Stations and consistent with past practices.

6.5 Books and Records. From the date hereof until the Closing Date, maintain the books and records of Seller on a basis consistent with past practices, and promptly make available to Buyer the books, records, tax returns, leases, contracts and other documents or agreements material to the Stations as Buyer, his counsel, accountants or other authorized representatives may from time to time reasonably request.

6.6 Estoppel Certificates; Title Insurance; Liens. Seller, at Seller's expense, will use commercially reasonable efforts to obtain and deliver to Buyer written estoppel certificates (the "Estoppel Certificates") duly executed by the lessors under the leases of Real Property in form and substance reasonably satisfactory to Buyer except for the Studio Office Lease Agreement.

6.7 Compliance with FCC Matters. From the date hereof until the Closing Date, materially comply with the terms of the FCC Licenses applicable to the Stations and with the provisions of the Act, the rules, regulations and policies of the FCC, and with all other laws, ordinances, regulations, rules and orders of any Governmental Authority applicable to Seller or to the Stations.

6.8 Taxes. From the date hereof until the Closing Date, file all federal, state and municipal tax returns, reports and declarations required to be filed by Seller prior to the Closing, and satisfy all Taxes related thereto, and either pay in full on or before the Closing or effect a proration pursuant to Section 9.2 for all accrued taxes attributable to real and personal property accruing through 12:01 A.M. on the Closing Date, regardless of whether such Taxes otherwise would have been then due and payable.

6.9 Trade-Outs. Buyer shall assume as of the Closing the Trade Agreements and the obligations arising thereunder existing as of the Closing and that have not yet been performed. To the extent that the aggregate liability of the Stations as of 12:01 A.M. on the Closing Date for unperformed time under the Trade Agreements (the "Trade Liabilities") exceeds the value of the goods and services to be received by the Stations or Buyer after the Closing under the Trade Agreements (the "Trade Receivables"), the Purchase Price payable at the Closing shall be reduced by the amount by which the Trade Liabilities exceed the Trade Receivables by more than \$10,000.00 (the "Trade Imbalance"). Seller shall deliver to Buyer at the Closing a schedule of Trade Liabilities and Trade Receivables existing as of the Closing (the "Trade Schedule"). Seller shall not incur additional Trade Liabilities after execution of this Agreement without Buyer's consent, and shall exercise reasonable efforts to prevent a Trade Imbalance. For purposes hereof, the term "Trade Agreements" means and includes those agreements entered into for the sale of advertising time on the Stations for consideration other than cash. For purposes hereof, the value of Trade Receivables and the Trade Liabilities as of the Closing shall be the fair market value thereof, as previously agreed to by Seller and the applicable vendor.

6.10 Supplemental Financial Statements. Seller shall provide such Monthly Supplemental Financial Statements to Buyer promptly upon such Supplemental Financial Statements becoming available to Seller. The Supplemental Financial Statements shall be subject to the representations and warranties set forth in Section 4.4.

6.11 Consents. From the date hereof until the Closing Date, exercise commercially reasonable efforts to obtain, prior to the Closing, the consent, waiver and approval (in a form reasonably acceptable to Buyer) of any third parties whose consent, waiver or approval is necessary in connection with the consummation of the transactions contemplated hereby, with respect to the

Assigned Contracts set forth on Seller's Disclosure Schedule and requiring such consent except for the Studio Office Lease Agreement. If any such consent, waiver or approval is not obtained, Seller will use commercially reasonable efforts (not involving the payment of money to any Person) to secure an arrangement satisfactory to Buyer intended to provide for Buyer following the Closing the benefits under each Assigned Contract for which such consent or approval is not obtained.

Nothing in this Agreement will constitute an assignment or transfer or an attempted assignment or transfer of any Assigned Contract which by its terms or under applicable law or governmental rules or regulations requires the consent, waiver or approval of a third party (including, without limitation, a Governmental Authority) unless such consent, waiver or approval is obtained.

6.12 Further Information. From the date hereof until the Closing Date, furnish to Buyer prior to the Closing such financial (including tax), legal and other information with respect to Seller and the Stations as Buyer or its authorized representatives may from time to time reasonably request.

6.13 Notice. From the date hereof until the Closing Date, promptly give notice to the Buyer in writing upon the occurrence or the nonoccurrence of any event which does then, or which upon the passing of time or the giving of notice would, constitute a breach of or default under, or render misleading or untrue in any material respect, any agreement, covenant, representation or warranty of Seller set forth in this Agreement.

6.14 Phase I Site Assessments and Other Reports. Buyer, at its sole expense, shall pay for all of the costs associated with a Phase I Site Assessments of the Real Property and such other studies, tests or reports of the Real Property as Buyer's lenders may reasonably require. Such assessments, studies, tests and reports shall be performed by an environmental company mutually acceptable to Seller and Buyer at least 30 days prior to the Closing. If any of the assessments, studies, tests or reports indicate that any Real Property contains one or more conditions of Environmental Noncompliance, Buyer shall give Seller 10 days' written notice of such Environmental Noncompliance and Seller shall have the opportunity, but not the obligation to take such action as is necessary to cure such Environmental Noncompliance prior to the Closing. In the event that Seller determines that it does not desire to remediate any Environmental Noncompliance, then Buyer may, at its option, either (i) agree to waive Seller's obligation to remediate the Environmental Noncompliance; or (ii) terminate this Agreement and be entitled to a return of the original Escrow Deposit. **Except as otherwise specifically provided in this Section 6.14, Buyer agrees that no representation by or on behalf of Seller have been made to Buyer as to the condition of the property, and restrictions related to the development of the property, the applicability of or compliance with any governmental requirements, including, but not limited to, environmental laws, or the suitability of the property for any purpose whatsoever. Buyer acknowledges that Seller does not possess any expertise concerning hazardous materials (as defined by any federal or state law, rule or regulation) including, without limitation, asbestos, and, except as otherwise specifically provided in this Agreement, that Buyer is not relying on any representation, or the lack of same, with respect to hazardous materials as they apply to conditions on the property. Buyer unconditionally waives and releases Seller from and against**

any and all liability of Seller, whether known or unknown, present or future, arising out of relating to the presence or alleged presence of hazardous material on, in, under, or about the property, or the violation or alleged violation of any environmental laws, including, but not limited to, CERCLA.

6.15 Title Insurance and Surveys. Within 45 days after execution of this Agreement, Seller shall obtain equally at Seller's and Buyer's expense (i) title insurance on the Real Property from a nationally recognized title insurance company acceptable to Buyer and his lenders in their reasonable judgment and (ii) ALTA surveys (which shall be in form satisfactory to remove the standard survey exception from the Owner's and Mortgagee's title insurance policies) prepared by a registered professional surveyor acceptable to Buyer and his lenders in their reasonable discretion. Not later than 45 days after execution of this Agreement, Seller shall furnish to such title insurance company such documentation as may reasonably be required by it to issue extended Owner's and Mortgagee's title insurance policies which additionally shall be without exception as to the capacity, authority and execution of instruments by Seller.

6.16 Transfer Taxes and Expenses. Any and all realty transfer taxes and documentary stamps payable to the State of Texas or any other governmental entity in connection with the transfer of the Real Property shall be paid by Seller and/or Buyer in accordance with applicable law and prevailing custom.

SECTION 7 NEGATIVE COVENANTS OF SELLER

From and after the date of this Agreement and until the Closing, Seller shall not take, or cause to be taken, any of the following actions without Buyer's prior approval, which may not be unreasonably withheld or delayed:

7.1 Sales, Transfers and Liens. Make any sale, transfer, assignment, conveyance, mortgage, hypothecation, encumbrance or other placement of any Lien on any of the Purchased Assets, except in the ordinary course of business, which do not materially interfere with the operations of the Stations, and which in the case of a sale, transfer or assignment, is replaced with an asset of equal or greater value, and, in the case of a conveyance mortgage, hypothecation, encumbrance or other Lien, is released at or prior to the Closing.

7.2 Assumed Obligations. Amend, terminate or renew any of the Assumed Obligations (including any renewal or termination resulting from the failure to provide, after the date of this Agreement, timely notice of non-renewal or termination as required by the terms of any of the Assumed Obligations).

7.3 Breaches, Defaults. Do any act or omit to do any act, or permit any act or omission to occur, that will cause a breach of any contract, commitment or obligation of it or them in any respect

that would have a material adverse effect on the Purchased Assets or the business operations of the Stations as presently conducted.

7.4 Obligations. Incur any Obligations except in the ordinary course of business in a manner consistent with past practices.

7.5 Salary Increases. Increase any salary, other payments, disbursement or distributions in any manner or form to any employees of Seller except (A) in the ordinary course of business consistent with past practices or (B) in accordance with the existing terms of contracts entered into prior to the date of this Agreement.

7.6 Non-Solicitation. Directly or indirectly solicit or negotiate with any Person (other than a party hereto) or accept any proposal to acquire Seller or the Stations in whole or in part.

SECTION 8 COVENANTS OF BUYER

From and after the date of this Agreement and until the Closing (except with respect to Section 8.3, which shall survive the Closing), Buyer covenants and agrees with Seller as follows:

8.1 Compliance With Law. Buyer shall comply with all applicable laws and regulations required for the valid and effective consummation of the transactions contemplated by this Agreement.

8.2 Notice. Buyer shall promptly notify Seller in writing upon the occurrence or non-occurrence of any event which does then, or which upon the passing of time or the giving of notice would, constitute a breach of or a default under, or render misleading or untrue in any material respect, any agreement, covenant, representation or warranty of Buyer set forth in this Agreement.

8.3 Accounts Receivable. Subject to Buyer's receipt from Seller at the Closing, of a list (the "Accounts Receivable List") of accounts receivable of the Stations existing as of 12:01 A.M. on the Closing Date, exclusive of Trade Receivables, if any (the "Accounts Receivable"), for a period of 120 days commencing with the Closing Date (the "Buyer Collection Period"), Buyer, as agent for Seller, shall collect the Accounts Receivable in accordance with Buyer's normal collection processes and procedures. In no event shall Buyer be required to institute litigation or to retain third parties to institute collection procedures with respect to the Accounts Receivable. All remittances will be applied first to the oldest Accounts Receivable, unless the client asserts that a dispute exists with respect to a particular account or the client specifies the particular invoice to which the payment is to be applied, in which case the remittances shall be applied to the specific account and Buyer shall promptly notify Seller of any dispute. Remittances collected by Buyer on behalf of Seller shall be remitted to Seller without offset of any kind within 10 days after the end of each calendar month during the Buyer Collection Period, and within five days after termination of the Buyer Collection Period. During the Buyer Collection Period, at Seller's option, Buyer shall be permitted to collect the

Accounts Receivable that remain outstanding after 60 days, or are disputed in writing by the relevant account debtor. Each remittance by Buyer to Seller shall be accompanied by a written report from Buyer setting forth the aggregate amount of the Accounts Receivable and the aggregate amount of cash collections of such Accounts Receivable during the period for which the payment is made, along with a breakdown by account debtor. At the end of the Buyer Collection Period, Buyer shall account for all collected Accounts Receivable and provide Seller with all documentation related to uncollected Accounts Receivable, and Buyer shall have no further responsibilities with respect to any uncollected Accounts Receivables except to remit promptly to Seller any amounts subsequently received by Buyer. Except as stated above, Buyer shall have no obligation with respect to any Accounts Receivable that remain uncollected after the end of Buyer's collection period.

SECTION 9 FCC CONSENT, OTHER MATTERS

9.1 Application for Assignment of FCC Licenses. As promptly as practicable after the date of this Agreement, and in no event later than 10 days after the date of this Agreement, Seller and Buyer shall file an application with the FCC (the "FCC Application") requesting FCC consent to assignment of the licenses for the Stations from Seller to Buyer (the "FCC Approval"). The parties agree that they shall prosecute the FCC Application (and shall cooperate with each other in the timely prosecution thereof), in good faith and with due diligence, and within the time allowed therefor by the rules and regulations of the FCC. Seller and Buyer shall each take all necessary actions on his or its part to obtain the FCC Approval. Buyer shall advance the filing fee for the FCC Application, and Seller shall reimburse Buyer for one-half of such filing fee at the Closing (or upon the earlier termination of this Agreement). All other costs and expenses incurred by each party in connection with the filing and prosecution of the FCC Application shall be paid by the party incurring the cost or expense.

9.2 Adjustments at Closing. Without duplication, the following items (in addition to other prepaid and deferred items which are customarily prorated) shall be prorated between Buyer and Seller as of 12:01 A.M. on the Closing Date:

- 27. Amounts receivable or payable under the Real Property Leases and amounts payable under the Assigned Contracts;
- 28. Power, utility and telephone charges incurred in connection with the Stations;
- 29. Accrued taxes and governmental fees existing as of the Closing; and

Proration of real and personal property taxes shall be based upon the most recent assessments available. Each of the parties shall duly cooperate with the other in making the foregoing prorations, adjustments, and payments. If, for any reason beyond the reasonable control of the parties, information necessary to calculate the required prorations is unavailable before the Closing Date, such item shall be prorated after the Closing Date as soon as such information is available, and Seller

and Buyer shall cooperate with each other in regard thereto and shall pay, each to the other, any amounts which may be owing as a result of such subsequent prorations. If, at any time after the Closing Date, errors are discovered in any prorations made pursuant to this Section 9.2, Seller and Buyer shall correct such errors and pay, each to the other, any sums owing as a result of such correction. All prorations to the extent feasible shall be made on the Closing Date.

9.3 Brokerage. Seller and Buyer represent and warrant to each other that no person has provided services as a broker, agent, or finder in connection with the transactions contemplated by this Agreement. Seller and Buyer shall each indemnify and hold harmless the other for any and all claims or expenses, including attorneys' fees, asserted by any Person purporting to act on behalf of the respective indemnitor as a broker, agent or finder in connection with the transactions contemplated by this Agreement.

9.4 Risk of Loss. If any loss or damage to any of the Purchased Assets occurs prior to the Closing (i) which has a material adverse effect on the Stations and (ii) such loss or damage is not susceptible of repair, replacement or restoration with sufficient, collectible insurance proceeds available for such purposes or by Seller at its sole cost and expense to substantially the same condition as existed before such loss or damage prior to the Closing Date, then, at Buyer's sole option: (i) Buyer shall proceed to Closing with the Seller assigning any collectible insurance proceeds to Buyer with no adjustment to the Purchase Price; or (ii) the Buyer may elect to terminate this Agreement and shall be entitled to a return of the original Escrow Deposit.

9.5 Actions With FCC. In the event any investigation, order to show cause, notice of violation, notice of apparent liability or a forfeiture, material complaint, petition to deny or informal objection is instituted or filed against any party hereto (whether in connection with the proceedings to approve the FCC Application or otherwise), such party shall promptly notify the other party hereto in writing of such occurrence and shall thereafter immediately take all reasonable measures to contest the same in good faith and seek the removal or favorable resolution of such action, order, notice or complaint.

9.6 Confidentiality. Each of the parties hereto will hold in confidence, and will cause its or his respective directors, officers, employees, accountants, counsel, financial advisors and other representatives and Affiliates to hold in confidence, all non-public information received from another party hereto (collectively, "Confidential Information"); provided, however, that the term "Confidential Information" does not include any information which (a) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by the party hereto which received such information (the "Recipient")), (b) was available to the Recipient from a source other than the other parties hereto or (c) has been independently acquired or developed by the Recipient without violating any of its obligations under this Agreement. The obligation to keep Confidential Information confidential shall not apply to any information that is required to be disclosed pursuant to any court action or any proceeding before a Governmental Authority. In the event this Agreement is terminated for any reason, each party hereto, upon the request of another party hereto, shall promptly return to the requesting party all

copies of Confidential Information in its or his possession and shall destroy all analysis, studies and documents prepared by it that contain any Confidential Information.

9.7 [Intentionally Omitted]

9.8 Public Announcements. Buyer, on the one hand, and Seller, on the other, will consult with each other before issuing, and provide each other the opportunity to review, comment upon and concur with, any press release or other public statement with respect to the transaction contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange of the National Association of Securities Dealers, Inc. The parties agree that the initial press release to be issued with respect to the transaction contemplated by this agreement, if any, shall be in a form agreed to by the parties.

9.9 No Inconsistent Action. No party hereto shall take any action (a) inconsistent with his or its obligations under this Agreement or (b) that would hinder or delay the consummation of the transactions contemplated by this agreement.

SECTION 10
THE CLOSING

10.1 Closing Date. The Closing shall occur on a date selected by Buyer which is within 10 business days following the date on which the FCC Approval has become a Final Order, unless Buyer, in its sole discretion, chooses to waive Section 12.9, in which case the Closing shall occur on a date selected by Buyer which is within 10 business days following the date on which the FCC Approval has become effective. The Closing shall begin at 9:00 A.M. local time, on the date of the Closing (the "Closing Date") at the offices of Morgan, Leeton & Meyers, attorneys, Midland, Texas, or at such place and time as the parties may mutually agree, or by mail.

10.2 Closing Documents. At the Closing:

30. Seller shall deliver to Buyer all certificates, consents (including any third party consents required as to the Assumed Obligations), estoppels and other documents (including warranty deed with vendor's lien, bill of sale, assignment of contract rights and assignment of lease rights substantially in the forms attached hereto as Exhibits "G," "H," "I" and "J") otherwise required to be delivered by Seller pursuant to this Agreement or as a condition precedent to Buyer's fulfillment of its obligations hereunder.

31. Buyer shall deliver to Seller the following:

1. the Purchase Price as required by the provisions of this Agreement; and

2. all certificates and other documents (including an assumption agreement relating to the Assumed Obligations and a Term Promissory Note, Second Lien Deed of Trust and Second Lien Security Agreement along with accompanying UCC-1 Financing Statements substantially in the forms attached hereto as Exhibits "A," "D" and "E") required to be delivered by Buyer to Seller pursuant to this Agreement or as a condition precedent to Seller's fulfillment of its obligations under this Agreement.
32. Seller and Buyer shall deliver to the other the Advertising Credit Agreement substantially in the form attached hereto as Exhibit "B" and Subordination Agreement substantially in the form attached hereto as Exhibit "F."

SECTION 11

CONDITIONS TO SELLER'S OBLIGATION TO CLOSE

The obligation of Seller to consummate the transactions contemplated by this Agreement at the Closing is subject to the following conditions precedent, any or all of which may be waived by Seller at its sole discretion (other than those set forth in Section 11.5):

11.1 Representations, Warranties and Covenants. The representations and warranties of Buyer contained herein shall be true and correct in all material respects (determined without regard to materiality qualifications within all such representations and warranties) at and as of the Closing with the same effect as though all such representations and warranties were made at and as of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the Closing, which shall be true and correct in all material respects (determined without regard to materiality qualifications within all such representations and warranties) at and as of the times specified) and Buyer shall have complied with and performed all of its covenants and agreements contained herein which were to be complied with at or prior to the Closing; and Buyer shall have delivered to Seller a certificate to that effect, dated the Closing Date, signed by Buyer.

11.2 No Litigation. No injunction relating to any action, suit or proceeding against Seller relating to the consummation of any of the transactions contemplated by this Agreement or any action by any Governmental Authority shall have been issued.

11.3 Action. All action necessary to authorize the execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby shall have been duly and validly taken by Buyer, and Buyer shall have delivered to Seller certified copies of the resolutions of Buyer's board of directors, if applicable, authorizing the execution and performance of this Agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions of this Agreement.

11.4 Acts to be Performed. Each of the covenants, acts and undertakings of Buyer to be performed on or before the Closing Date pursuant to the terms hereof shall have been duly performed.

11.5 FCC Approval. The FCC Approval shall have been obtained and shall have become effective.

SECTION 12 CONDITIONS TO BUYER'S OBLIGATION TO CLOSE

The obligation of Buyer to consummate the transactions contemplated by this Agreement at the Closing is subject to the following conditions precedent, any or all of which may be waived by Buyer in his sole discretion:

12.1 Opinion of Seller's Counsel. Buyer shall have received an opinion of counsel for Seller, dated the date of the Closing, in form and substance reasonably satisfactory to Buyer, to the effect that:

33. Seller is a limited liability company validly existing and in good standing under the laws of Texas.
34. Seller has the corporate power and authority to own its assets and properties and conduct the Business in the manner and in the location presently owned and conducted.
35. Seller has the corporate power and authority to execute and deliver this Agreement and each of the other documents and instruments required to be executed or delivered by Seller in connection with the transactions contemplated hereby (collectively with this Agreement, the "Seller Transaction Documents") and to perform its obligations hereunder and thereunder.
36. Seller has duly authorized, by all necessary corporate action, the execution and delivery of the Seller Transaction Documents and the performance of its obligations thereunder.
37. Each of the Seller Transaction Documents has been duly executed and delivered by Seller, and constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with the terms thereof, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting generally the enforceability of creditors' rights and by limitations on the availability of equitable remedies.

38. To the knowledge of such counsel, except as disclosed on Seller's Disclosure Schedule, there are no claims, disputes, actions, suits or proceedings pending or threatened against Seller or the Stations.

12.2 Representations, Warranties and Covenants. The representations and warranties of Seller contained herein shall be true and correct in all material respects (determined without regard to materiality qualifications within all such representations and warranties) at and as of the Closing with the same effect as though all such representations and warranties were made at and as of the Closing (except for representations and warranties expressly and specifically relating to a time or times other than the Closing, which shall be true and correct in all material respects (determined without regard to materiality qualifications within all such representations and warranties) at and as of the times specified) and Seller shall have complied with all of its covenants and agreements contained herein which were to be complied with and performed at or prior to the Closing; and Seller shall have delivered to Buyer a certificate to that effect, dated the Closing Date, signed by an officer of Seller.

12.3 No Litigation. No injunction relating to any action, suit or proceeding against Seller or Buyer relating to the consummation of any of the transactions contemplated by this Agreement or any action by any Governmental Authority shall have been issued.

12.4 Other Certificates. Buyer shall have received a certificate as to the good standing of Seller in the State of Texas, each as of a date not more than 20 days before the Closing, and such other certificates, instruments and other documents, in form and substance satisfactory to Buyer, as Buyer shall have reasonably requested in connection with the transactions contemplated hereby.

12.5 Authorizing Action. All action necessary to authorize the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby shall have been duly and validly taken by Seller, and Seller shall have delivered to Buyer certified copies of the resolutions of Seller and of the board of directors of Seller authorizing the execution and performance of this Agreement and authorizing or ratifying the acts of its officers and employees in carrying out the terms and provisions of this Agreement.

12.6 Acts to be Performed. Each of the covenants, acts and undertakings of Seller to be performed on or before the Closing Date pursuant to the terms hereof shall have been duly performed.

12.7 Lien Searches. Buyer shall have completed, at Buyer's expense, lien (including UCC and tax) and judgment (including litigation) searches from the appropriate county and state agencies showing all Liens on the Purchased Assets, which searches shall be conducted not more than 30 days prior to the Closing. Such searches shall include the names of Seller, the call letters of the Stations, predecessors of any of the foregoing during the past five years and any other names under which Seller has done business during the past five years. Notwithstanding the foregoing, Seller shall remain responsible for satisfying any Lien on the Purchased Assets even if such searches are inaccurate.

12.8 Filings, Consents, Approvals and Estoppel Certificates. All filings, consents, approvals and estoppel certificates required by or reasonably requested by Buyer pursuant to this Agreement, or necessary to consummate the transactions contemplated by this Agreement, shall have been obtained and delivered to Buyer.

12.9 FCC Approval. The FCC Approval shall have been obtained and shall have become a Final Order.

12.10 Payment of Obligations. Seller shall have paid, performed or discharged all of its obligations, including, but not limited to, paying any unpaid taxes, as well as amounts owed by Seller to its employees who have performed services up to the time of Closing, whether fixed or accrued, for wages, vacation pay, sick pay, severance pay, employee benefits, damages and otherwise except for the Assumed Obligations, on a timely basis and in the ordinary course of business.

SECTION 13 INDEMNIFICATION

13.1 Indemnification by Seller. Subject to the limitations and procedures set forth in Section 13, Seller shall jointly and severally indemnify and hold harmless Buyer from and against all losses, claims, demands, damages, liabilities, obligations, costs and/or expenses, including, without limitation, reasonable fees and disbursements of counsel (hereinafter referred to collectively as "Damages"), which are sustained or incurred by Buyer, to the extent that such Damages are sustained or incurred by reason of (a) the breach of any of the obligations or covenants made by Seller in this Agreement; (b) the breach of any of the representations or warranties made by Seller in this Agreement; or (c) the operation of the Stations prior to the Closing.

13.2 Indemnification by Buyer. Subject to the limitations and procedures set forth in this Section 13, Buyer shall indemnify and hold harmless Seller from and against any and all Damages which are sustained or incurred by Seller, to the extent that such Damages are sustained or incurred by reason of (a) the breach of any of the obligations or covenants made by Seller in this Agreement; (b) the breach of any of the representations or warranties made by Seller in this Agreement; or (c) the operation of the Stations by Buyer after the Closing (except to the extent such Damages relate to matters covered by Section 13.1).

13.3 Procedure for Indemnification. In the event that any party to this Agreement shall incur any Damages in respect of which indemnity may be sought by such party pursuant to this Section 13 or any other provision of this Agreement, the party indemnified hereunder (the "Indemnatee") shall notify the party providing indemnification (the "Indemnitor") promptly. In the case of third party claims, such notice shall in any event be given within 10 days of the filing or assertion of any claim against the Indemnatee stating the nature and basis of such claim; provided, however, that any delay or failure to notify any Indemnitor of any claim shall not relieve it from any liability except to the extent that the Indemnitor demonstrates that the defense of such action has

been materially prejudiced by such delay or failure to notify. In the case of third party claims, the Indemnitor shall, within 10 days of receipt of notice of such claim, notify the Indemnitee of its intention to assume the defense of such claim. If the Indemnitor assumes the defense of the claim, the Indemnitor shall have the right and obligation (a) to conduct any proceedings or negotiations in connection therewith and necessary or appropriate to defend the Indemnitee, (b) to take all other required steps or proceedings to settle or defend any such claims, and (c) to employ counsel to contest any such claim or liability in the name of the Indemnitee or otherwise. If the Indemnitor shall not assume the defense of any such claim or litigation resulting therefore, the Indemnitee may defend against any such claim or litigation in such manner as it may deem appropriate, and assert against the Indemnitor any rights or claims to which the Indemnitee is entitled. Payment of Damages shall be made within 10 days of a final determination of a claim.

A final determination of a disputed claim shall be (a) a judgment of any court determining the validity of the disputed claim, if no appeal is pending from such judgment or if the time to appeal therefore is elapsed, (b) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award if the time within to move to set such award aside has elapsed, (c) a written termination of the dispute with respect to such claim signed by all of the parties thereto or their attorneys, (d) a written acknowledgment of the Indemnitor that it no longer disputes the validity of such claim, or (e) such other evidence of final determination of a disputed claim as shall be acceptable to the parties.

13.4 Survival.

39. Seller. Each of the representations and warranties made by Seller in this Agreement shall survive for a period of 18 months after the Closing Date, notwithstanding any investigation at any time made by or on behalf of Buyer, and upon the expiration of such 18-month period such representations and warranties shall expire except as follows: (i) the representations and warranties contained in Sections 4.6 and 4.11 shall expire 90 days after the time the period of limitations expires for the assessment by the taxing authority of additional Taxes with respect to which the representations and warranties relate; (ii) the representations and warranties contained in Sections 4.16 and 4.17 shall expire 90 days after the time the latest period of limitations expires for the enforcement by an applicable Governmental Authority of any remedy with respect to which the particular representation or warranty relates; and (iii) the representations and warranties contained in Sections 4.1, 4.2, 4.3, and 4.8(a) shall not expire but shall continue indefinitely. No claim for the recovery of Damages may be asserted by Buyer against Seller, or its successors in interest, after such representations and warranties shall thus expire; provided, however, that claims for Damages first asserted in writing within the applicable period shall not thereafter be barred.
40. Buyer. Each of the representations and warranties made by Buyer in this Agreement shall survive for a period of 18 months after the Closing Date, notwithstanding any

investigation at any time made by or on behalf of Seller, and upon the expiration of such 18-month period such representations and warranties shall expire, except that the representations and warranties contained in Sections 5.1, 5.2 and 5.3 shall not expire but shall continue indefinitely. No claim for the recovery of Damages may be asserted by Seller against Buyer or its successors in interest after such representations and warranties shall thus expire; provided, however, that claims for Damages first asserted in writing within the applicable period shall not thereafter be barred.

SECTION 14
TERMINATION OF AGREEMENT, REMEDIES

14.1 Manner. This Agreement and the transactions contemplated hereby may be terminated prior to completion of the Closing:

41. by mutual written consent of Buyer and Seller;
42. by either Buyer, on the one hand, or Seller, on the other, upon providing written notice to the other party at any time after the date which is nine months after the date of this Agreement, or a later date established by mutual consent of Buyer and Seller, if the FCC Approval has not been granted by the FCC except if such approval has not been granted due to Buyer's existing violation of any FCC rules, but only if the party providing such notice is not then in material breach of this Agreement;
43. by Buyer, upon providing written notice to Seller, if as of the time set for Closing any of the conditions in Section 12 has not been satisfied or has not been waived by Buyer in writing;
44. by Seller, upon providing written notice to Buyer, if as of the time set for Closing any of the conditions in Section 11 has not been satisfied or has not been waived by Seller in writing;
45. by Seller, upon providing written notice to Buyer, if Buyer fails to consummate the transactions contemplated hereunder after all conditions in Section 12 have been satisfied;
46. by Buyer, upon providing written notice to Seller, if Seller fails to consummate the transactions contemplated hereunder after all conditions in Section 11 have been satisfied;
47. subject to Section 9.1, by either party upon denial by the FCC of the FCC Application, but only if the party terminating this Agreement is not then in material breach of this Agreement; and

48. by either party if any court of competent jurisdiction in the United States or any other United States governmental body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and non-appealable (provided that such party is not then in material breach of this Agreement).

14.2 Remedies

49. In the event of the termination of this Agreement by Seller pursuant to Section 14.1 d. or 14.1 e. (any such event being a "Draw Condition"), Seller shall be entitled to draw upon and receive the proceeds of the Escrow Deposit as liquidated damages as its sole and exclusive remedy under the terms of this Agreement.
50. In the event of the termination of this Agreement by Buyer pursuant to Section 14.1 c. or 14.1 f., Buyer shall have the right to seek specific performance of this Agreement in addition to all attorney's fees and court costs as permitted under the laws of the State of Texas.
51. In the event of the termination of this Agreement by Seller and/or Buyer pursuant to Section 14.1 a., 14.1 b., 14.1 g. and 14.1 h., Section 6.14 or Section 9.4, Buyer shall be entitled to a return of and Seller shall return to Buyer the original Escrow Deposit and neither party shall have any further rights to enforce this Agreement or to seek damages or any other remedies.
52. In the event of a termination of the Agreement by Seller or Buyer under Section 14.2 a. and b., Seller shall have no further rights to enforce this Agreement nor to seek damages or any other remedies other than Seller's right to draw on the Escrow Deposit of Twenty Thousand Dollars (\$20,000.00).

SECTION 15 GENERAL

15.1 Survival of Representations and Warranties. Each representation and warranty herein contained shall survive the Closing as provided in Section 13.4 notwithstanding any investigation at any time made by or on behalf of any party to this Agreement.

15.2 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws, and not the laws of conflicts, of the State of Texas.

15.3 Notices. Any notices or other communications required or permitted under this Agreement shall be delivered personally or sent by registered or certified mail, postage prepaid, delivered by overnight delivery or sent by facsimile, addressed as follows:

To Buyer: Tommy R. Vascocu
Encore Broadcasting, LLC
P. O. Box 9400
Midland, Texas 79708
Fax: (432) 520-0112

With copy to: James R. Leeton, Jr.
Morgan, Leeton & Meyers, P.C.
306 West Wall, Suite 700
Midland, Texas 79701
Fax: (432) 682-0520

To Seller: Roger Gearhart
Graham Brothers Communications, LLC
6999 East Highway 80
Odessa, Texas 79762
Fax: (432) 362-9456

With a copy to: Lee Peltzman
Shainis & Peltzman
1850 M Street, NW, Suite 240
Washington, D.C. 20036
Fax: (202) 293-0810

or such other addresses as shall be similarly furnished in writing by either party. Such notices or communications shall be deemed to have been given as of the date of personal delivery, or if mailed, the return receipt is signed or the date on which delivery is refused, or if delivered by overnight delivery or facsimile, on the date of receipt.

15.4 Entire Agreement. This instrument supersedes all prior communications understandings and agreements of or among the parties with respect to the subject matter of this Agreement and contains the entire agreement among the parties with respect to the transactions contemplated in this Agreement.

15.5 Headings. The headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

15.6 Schedules; Exhibits. All schedules and exhibits annexed to this Agreement are hereby incorporated in this Agreement by this reference.

15.7 Expenses. Except as otherwise set forth in this Agreement, each party shall bear its or his own costs and expenses incurred by it in connection with the transactions pursuant to this Agreement.

15.8 Amendment. This Agreement may be amended, modified or superseded, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed on behalf of all of the parties, or in the case of a waiver, by the party waiving compliance.

15.9 Waiver. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right to enforce that provision or any other provision of this Agreement at any time thereafter.

15.10 Assignment. This Agreement shall not be assigned without the prior written consent of the other party hereto; provided, however, that Buyer may, without such consent assign this Agreement to an entity to be formed and/or controlled by Tommy Vascocu, and where appropriate in the context and consistent with this provision, the term "Buyer" as used herein shall mean and include such assignee. In the event of any such assignment by Buyer, Tommy Vascocu shall nevertheless remain liable to Seller for due, full, complete and faithful performance of all terms and conditions of the Agreement to be performed on the part of the Buyer. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person shall have any right, benefit or obligation under this Agreement.

15.11 Prior Control. Until the Closing, Seller shall maintain control of the Stations.

15.12 Attorneys' Fees. In the event of any action arising out of this Agreement, the prevailing party shall be entitled to recover its costs, expenses and reasonable attorneys' fees incurred in connection with the dispute from the other party.

15.13 Counterparts; Fax Signatures. This Agreement may be executed in one or more counterparts, each of which together shall constitute a single instrument. Signatures on this Agreement transmitted by facsimile shall be deemed to be original signatures for all purposes of this Agreement.

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

SELLER:

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

By: _____

Roger Gearhart, President

BUYER:

TOMMY R. VASCOCU

INDEX OF SCHEDULES AND EXHIBITS

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Exhibit J	-	Assignment of Lease Rights

EXHIBIT "A"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

TERM PROMISSORY NOTE

\$275,000.00

Odessa, Texas

January __, 2004

FOR VALUE RECEIVED, _____, LLC, a Texas limited liability company (herein called "Maker"), promises to pay to the order of **GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company** (the "Payee") at 6999 East Highway 80, Odessa, Ector County, Texas 79762, the sum of **TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$275,000.00)**, together with interest from date until maturity on the unpaid principal balance thereof from time to time outstanding at the Stated Rate and with interest on all past due amounts, both principal and accrued interest, at the Past Due Rate.

"Stated Rate" means a rate per annum equal to **six percent (6.0%)**.

"Past Due Rate" means a rate per annum equal to **ten percent (10.0%)**. All past due payments shall bear interest from the due date thereof until paid at the Past Due Rate.

Interest on this Note shall be computed from the date of this Note. Interest shall be computed for the actual number of days elapsed and on the basis of a year consisting of 365 days.

The above sum and accrued interest shall be due and payable as follows:

- (a) Quarterly interest payments of **Four Thousand One Hundred Twenty-Five Dollars (\$4,125.00)** each shall be due and payable beginning _____ 1, 2004, and continuing on _____ 1, 2004, _____ 1, 2004, _____ 1, 2005, _____ 1, 2005, _____ 1, 2005, _____ 1, 2005, and _____ 1, 2006.
- (b) Thereafter, interest and principal shall be due and payable in **seven (7)** quarterly installments including interest accrued on the unpaid principal balance to the date of each installment, payment of **\$21,312.50** beginning _____ 1, 2006, and of **\$21,054.69** on _____ 1, 2006, **\$20,796.88** on _____ 1, 2006, **\$20,539.06** on _____ 1, 2007, **\$20,281.25** on _____ 1, 2007, **\$20,023.44** on _____ 1, 2007, and **\$19,765.63** on _____ 1, 2007.

(c) On _____ 1, 2008, the remaining balance of **One Hundred Fifty-Seven Thousand Seven Dollars and Eighty-One Cents (\$157,007.81)** shall be due and payable.

Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to current principal, and any remaining amounts to the balance to the principal in inverse order of maturity. The Maker may at any time pay the full amount or any part of this Note without the payment of any premium or fee.

This Note is secured by those certain (1) Second-Lien Security Agreement dated as of the date of this Note executed by Maker for the benefit of Payee and (2) Second-Lien Deed of Trust dated as of the date of this Note executed by Maker for the benefit of Payee, covering the assets purchased by Maker from Payee at that certain closing as of the date of this Note ("Security Documents").

At the option of the owner or holder hereof, all amounts due and unpaid hereunder shall be accelerated and shall become immediately due and payable upon the occurrence of any of the following events: default in the making of any payment as herein agreed; the failure of Maker to keep and perform any covenants herein or in the above Security Documents; the dissolution of Maker; any proceedings or arrangements in bankruptcy by or against Maker; Maker become insolvent; or any assignments or receiverships, whether in or out of Court, of Maker or any of Maker's property for the benefit of Maker's creditors. Payee may exercise any other available remedies, and failure to exercise any remedy shall not constitute a waiver at any other time.

In addition to all principal and accrued interest on this Note, the Maker agrees to pay (a) all costs and expenses incurred by all owners and holders of this Note in any probate, reorganization, bankruptcy or any other proceedings for the establishment or collection of any amount hereunder, or in collecting this Note through any such proceedings, and (b) attorney's fees when and if this Note is placed in the hands of an attorney for collection after default.

If any word, phrase, clause, paragraph, part, portion or provision hereof is held to be invalid, the remainder hereof shall nevertheless be valid as though it had been entered into without such invalid word, phrase, clause, paragraph, part, portion or provision.

Payee reserves the right, exercisable in Payee's sole discretion and without notice to Maker or any other person, to sell participations, to assign its interest or both, in all or any part of this Note or the debt evidenced by this Note.

The Maker waives notice (including, but not limited to, notice of intent to accelerate and notice of acceleration), demand, presentment for payment, protest and the filing of suit for the purpose of fixing liability and consent that the time of payment hereof may be extended and re-extended from time to time.

This Note shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America from time to time in effect and shall be performable in Odessa County, Texas.

DATED and EXECUTED on this _____ day of _____.

_____, LLC, a Texas limited liability company

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

EXHIBIT "B"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

ADVERTISING CREDIT AGREEMENT

THIS ADVERTISING CREDIT AGREEMENT ("Agreement") is made and entered into as of January ____, 2004, by and between **GRAHAM BROTHERS COMMUNICATIONS, LLC** ("Advertiser") and _____, **LLC, a Texas limited liability company** ("Radio Station").

R E C I T A L S:

WHEREAS, Advertiser and Radio Station and/or the predecessor-in-interest to the Radio Station are parties to that certain Asset Purchase Agreement dated November 14, 2003, (the "Purchase Agreement") providing for the purchase by Tommy R. Vascocu from Advertiser of selected assets of the Advertiser; and

WHEREAS, the Purchase Agreement provides that the Radio Station will provide Fifty Thousand Dollars (\$50,000.00) in advertising credit for a three-year period after the closing of the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth in the Purchase Agreement and herein, Advertiser and Radio Station agree as follows:

1. Radio Station, for a period of three years from the Closing Date of the Purchase Agreement, agrees to provide Advertising Time Credit of \$50,000.00 ("Advertising Time Credit") on any one or a combination of the following broadcast stations owned by Radio Station or an affiliate of Radio Station as of the Closing Date: (a) Radio Station KKC� licensed in Ballinger, Texas and (b) KCSE licensed in Sterling City, Texas.
2. Use of the Advertising Time Credit shall be valued at the rates, as of the date of the Purchase Agreement, that are printed on the rate card of the applicable station or stations, provided to commercial advertisers. Scheduling of such advertisement shall be subject to all normal and customary terms and conditions (including matters such as pre-emptibility, rotation, exclusivity, etc.) for the class and type of advertising time for which Advertiser redeems the Advertising Time Credit.
3. The Advertising Time Credit which shall be paid to Advertiser shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted

assigns. By permitted assigns shall mean the subsidiary and/or parent company of Advertiser and/or any corporation, limited liability company and/or limited partnership owned and/or managed by Herbert L. Graham, Philip Graham, Terry Graham and/or Roger Gearhart.

4. This Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, successors, assigns and legal representatives. This Agreement shall be governed by and construed in accordance with the laws of Texas. This Agreement cannot be modified, amended or terminated except in writing signed by Advertiser and/or Radio Station.
5. All notice and other communications under this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given if so given) in the manner specified in the Purchase Agreement, if to Advertiser or the Radio Station, at the addresses specified therein (and with the copies), or to such other person or address as any of the parties hereto shall specify by notice in writing to all the other parties hereto.
6. Radio Station agrees to make a monthly accounting to Advertiser of the credit balance remaining on the Advertising Time Credit.
7. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

This Agreement is dated the _____ day of _____, 2004, although is executed on the dates set out below.

ADVERTISER:

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

EXECUTED on this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

RADIO STATION:

_____, LLC, a Texas limited liability
company

EXECUTED on this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

EXHIBIT "C"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into as of November 14, 2003, by and among **GRAHAM BROTHERS COMMUNICATIONS, LLC** (the "Seller"), **TOMMY R. VASCOCU** (the "Buyer") and **WESTERN NATIONAL BANK** ("Escrow Agent").

R E C I T A L S:

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement dated November 14, 2003, (the "Purchase Agreement") providing for the purchase by Buyer from Seller of selected assets of the Seller; and

WHEREAS, the Purchase Agreement provides that the Buyer will deposit with the Escrow Agent the amount of Twenty Thousand Dollars (\$20,000.00) which shall be placed with the Escrow Agent pending the closing of the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth in the Purchase Agreement and herein, Seller, Buyer and Escrow Agent agree as follows:

1. Seller and Buyer hereby establish this Escrow Agreement and mutually appoint Western National Bank, as escrow agent pursuant to the terms and conditions of the Purchase Agreement. Escrow Agent hereby accepts this appointment.
2. Upon the execution of this Escrow Agreement by all parties hereto, Buyer shall deposit with Escrow Agent, Twenty Thousand Dollars (\$20,000.00) (the "Earnest Money Deposit").
3. Subject to the terms of this Agreement, Escrow Agent agrees to act as Escrow Agent and immediately upon receipt thereof, to use said Earnest Money Deposit, consistent with the terms of the Purchase Agreement. The Escrow Agent shall place the Earnest Money Deposit in an FDIC-insured interest-bearing account with a bank having total assets of at least \$100,000,000.00. The Escrow Agent, subject to the terms of the Purchase Agreement, shall release from Escrow the Earnest Money Deposit and deliver the same in accordance with one of the following notices:

1. If the Closing of the transaction contemplated by the Purchase Agreement occurs, Escrow Agent shall, upon receipt of the joint written notice from Buyer and Seller, deliver the Earnest Money Deposit:
 1. to the Seller, the principal amount of the Earnest Money Deposit, to be applied by the Seller as a portion of the Purchase Price; and
 2. to the Buyer, the interest earned on the Earnest Money Deposit.
2. If the Closing of the transaction contemplated by the Purchase Agreement does not occur due to a material breach of the Purchase Agreement by Buyer, and the Seller is not in material breach of the Purchase Agreement, Escrow Agent shall, upon ten (10) business days advance written notification from Seller or ten (10) business days after receipt of a final order of a state or federal court of competent jurisdiction ordering payment, release to Seller the Earnest Money Deposit and all interest earned thereon.
3. If the Closing of the transaction contemplated by the Purchase Agreement does not occur due to any cause or event other than a material breach of the Purchase Agreement by the Buyer, or if the Seller is in material breach of the Purchase Agreement, Escrow Agent shall, upon ten (10) business days advance written notification from Buyer or ten (10) business days after receipt of a final order of a state or federal court of competent jurisdiction ordering payment, shall deliver to the Buyer in immediately available funds the Earnest Money Deposit and all interest earned thereon.

Any notice or order provided to Escrow Agent by Buyer will be simultaneously provided to Seller and any notice or order provided to Escrow Agent by Seller will be simultaneously provided to Buyer along with proof to Escrow Agent that the above notice has been provided to the respective Buyer or Seller, as applicable. In the event that during the ten (10) business day period following the delivery by Buyer or Seller (as the case may be) to Escrow Agent of a notice that it is entitled under this Section 3 to receive payment of the Earnest Money Deposit, the other Party delivers notice to Escrow Agent that it disputes that Party's right to payment, then the provision of Section 4 will apply.

4. If at any time a dispute or disagreement shall exist or arise as to the duties of Escrow Agent under the terms hereof or if a disagreement between the parties hereto results in conflicting or adverse claims or demands being made in connection with the Earnest Money Deposit, Escrow Agent is authorized and directed to retain all or any part of the Earnest Money Deposit and in so doing Escrow Agent shall not become liable in any way to any person for its failure or refusal to comply with such conflicting or adverse claims or demands unless or until:

1. the rights of all claimants have been duly adjudicated by a court of competent jurisdiction evidenced by a certified copy of such final judgment, together with written evidence that any right of appeal has expired, or
2. a written agreement is reached by and between all disputing parties, satisfactory to Escrow Agent, and a copy of such agreement signed by all disputing parties is delivered to Escrow Agent.
5. Escrow Agent undertakes to perform only such duties as are expressly set forth herein.
6. Escrow Agent may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent may conclusively presume that the undersigned representatives of Seller or Buyer individually have full power and authority to instruct Escrow Agent on behalf of that party unless written notice to the contrary is delivered to Escrow Agent.
7. Except for its gross negligence or willful misconduct, Escrow Agent shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it by this Escrow Agreement. Escrow Agent may consult with counsel of its choice and shall have full and complete authorization and protection of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.
8. Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving notice in writing of such resignation specifying a date upon which such resignation shall take effect, whereupon a successor Escrow Agent shall be appointed by Seller and Buyer (or, if no agreement is reached between Buyer and Seller as to a successor, then Odessa/Midland, Texas agent of the title company which issues title insurance policies at the Closing).
9. Escrow Agent shall be entitled to be reimbursed for all losses, liabilities or expense, including reasonable attorney's fees, incurred or made by it arising out of or in connection with its entering into this Escrow Agreement or carrying out its duties hereunder, and shall receive compensation in accordance with Schedule A attached hereto. All such fees and reimbursement to which Escrow Agent is entitled shall be borne jointly by Seller and Buyer, unless otherwise ordered by a court which adjudicates a dispute or disagreement under Section 4 above.
10. This Escrow Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent. Escrow Agent shall not be bound by the provisions of any agreement among the parties hereto except this Escrow Agreement.

11. This Escrow Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, successors, assigns and legal representatives. This Escrow Agreement shall be governed by and construed in accordance with the laws of Texas. This Escrow Agreement cannot be modified, amended or terminated except in writing signed by Seller, Buyer and Escrow Agent.
12. All notice and other communications under this Escrow Agreement shall be in writing and shall be given (and shall be deemed to have been duly given if so given) in the manner specified in the Purchase Agreement, if to Seller or the Buyer, at the addresses specified therein (and with the copies), and if to the Escrow Agent at:

Name: Western National Bank
Address: 2700 West County Road
Odessa, Texas 79764
Attention: Mr. Bob Switzer, President
Telephone No.: (432) 333-4187

or to such other person or address as any of the parties hereto shall specify by notice in writing to all the other parties hereto.

13. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

This Escrow Agreement is dated the 14th day of November, 2003, although is executed on the dates set out below.

SELLER:

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

EXECUTED on this _____
day of November, 2003

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

BUYER:

EXECUTED on this _____
day of November, 2003

DO NOT SIGN - EXHIBIT ONLY
TOMMY R. VASCOCU

ESCROW AGENT:

WESTERN NATIONAL BANK

EXECUTED on this _____
day of November, 2003

By: DO NOT SIGN - EXHIBIT ONLY
Bob Switzer, President

EXHIBIT "D"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOU.

SECOND LIEN DEED OF TRUST

STATE OF TEXAS **§**

ss

COUNTY OF TOM GREEN §

§

THIS DEED OF TRUST (this "Deed of Trust") is made by _____ ("Mortgagor"), to _____ of Odessa, Texas, as Trustee ("Trustee"), for the benefit of **GRAHAM BROTHERS COMMUNICATIONS, LLC** ("Mortgagee").

For \$10 and other consideration, Mortgagor grants to Trustee the Mortgaged Property (defined below) in trust, to secure the payment of the Debt (defined below). Mortgagor agrees as follows:

1. Definitions.

1. "Mortgaged Property" means:

(1) The tract or parcel of land in Tom Green County, Texas described in Exhibit "A" (the "Land"), and including (i) all of Mortgagor's interest in the bed of any stream, creek, or waterway or any street, road, right-of-way or easement, open or proposed, on or adjacent to the Land; (ii) all of Mortgagor's interest in any strips and gores between the Land and any abutting properties; and (iii) all rights of ingress and egress, and all other present or future easements and rights appurtenant to, serving or benefitting the Land; and

(2) All improvements of every type now or later located on the Land (the "Improvements").

2. "Collateral" means all property described in paragraphs (1) and (2) of the definition of Mortgaged Property, to the extent it is personal property under applicable law, and all proceeds of other Collateral.

3. "Debt" means (1) Mortgagor's obligations under the Promissory Note dated as of the date of this Deed of Trust executed by Mortgagor maturing on the anniversary date four years from the date of this Deed of Trust payable to the order of Mortgagee in the original principal amount of \$275,000.00 (the "Note"); and (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust. Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument.

2. Mortgagor's Representations and Agreements.

1. Taxes and Other Impositions. Mortgagor will pay all taxes, assessments and other impositions (collectively, "Impositions") levied or assessed against any of the Mortgaged Property by any governmental authority or any other person, before the Impositions become delinquent, and Mortgagor will provide receipts of all Impositions payments to Mortgagee promptly upon request.
2. Insurance. Mortgagor will keep the Mortgaged Property insured against loss by fire, storm, gas explosion (if gas is used on the Mortgaged Property) and all other hazards contemplated by a standard all-risk extended coverage endorsement for an amount at least equal to the full insurable value of the Improvements.
3. Maintenance of Property. Mortgagor will maintain the Mortgaged Property in good condition.
4. Mortgagee's Rights. If Mortgagor fails to perform any obligation under this Deed of Trust, Mortgagee may perform, but Mortgagee's performance will not waive Mortgagor's default. If Mortgagee secures required insurance, Mortgagee may secure the insurance only in its own name and may insure only its interest in the Mortgaged Property.
3. Collection and Application of Insurance and Condemnation Proceeds. Mortgagor assigns to Mortgagee all amounts received by Mortgagor or Mortgagee as proceeds of insurance and proceeds of condemnation proceedings as additional security for the Debt.
4. Attorneys' Fees. Mortgagor will pay, or reimburse Mortgagee, to satisfy any obligation of Mortgagor under this Deed of Trust or to protect the Mortgaged Property, in connection with the evaluation, monitoring or administration of the Debt or the Mortgaged Property (whether or not an Event of Default has occurred), and in connection with the exercise of Mortgagee's rights and remedies. Costs and expenses include reasonable fees and expenses of outside counsel and other outside professionals and charges imposed for the services of attorneys and other professionals employed by Mortgagee or its affiliates. Any amount owing under this Section will be due and payable on demand and will bear interest from the date of expenditure by Mortgagee until paid at the rate provided in the Note for past due principal.
5. Events of Default; Acceleration; Appointment of Receiver. Each of the following events is called an "Event of Default":
 1. Any "Event of Default," as defined in the Note, occurs.

2. Any representation or warranty in this Deed of Trust was untrue or misleading in any material respect when made, or Mortgagor violates any of its agreements in this Deed of Trust.

If any Event of Default occurs after 10 days' written notice, Mortgagee may, without demand, presentment or notice of any kind (including notice of default, notice of intent to accelerate the maturity of the Debt, or notice of actual acceleration), all of which Mortgagor waives, declare all of the Debt immediately due and payable, and may request that Trustee exercise any of Trustee's remedies under this Deed of Trust.

6. Trustee's Sale.

1. If an Event of Default occurs, Trustee will, at the request of Mortgagee, sell all or any part of the Mortgaged Property as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as Trustee in Trustee's discretion elects. The sale will be made in accordance with Texas Property Code Section 51.002 or any successor statute. If the Land is situated in more than one county, then required notices will be given in both or all of such counties, the Mortgaged Property may be sold in either or any such county, and such notices shall designate the county where the Mortgaged Property will be sold. The affidavit of any person having knowledge of the facts to the effect that required notices were posted, filed or mailed will be *prima facie* evidence of the facts recited in the affidavit. The Trustee's deed at any such sale will be with general warranty, and Mortgagor will warrant and forever defend the title of the purchaser or purchasers. Mortgagee may be the purchaser at any sale made hereunder, and credit the sale price against the Debt. Any deed so executed by Trustee will be *prima facie* proof of all factual matters stated in it. The purchaser or purchasers named in any such deed, and all persons subsequently dealing with the property purported to be thereby conveyed, will be fully protected in relying upon the truthfulness of factual matters stated in the deed. After any Trustee's sale, Mortgagor will surrender immediate possession and control of the property purchased to the purchaser. If Mortgagor fails to surrender possession, Mortgagor will be a tenant at will.
2. Mortgagee may at any time before the sale direct Trustee to abandon the sale, and may at any time thereafter direct Trustee to again commence foreclosure. Whether or not foreclosure is commenced by Trustee, Mortgagee may at any time after an Event of Default occurs institute suit for collection of all or any part of the Debt or foreclosure of the lien of this Deed of Trust or both. If Mortgagee institutes suit for collection of the Debt and foreclosure of the lien of this Deed of Trust, Mortgagee may at any time before the entry of final judgment dismiss the same, and require Trustee to sell the Mortgaged Property in accordance with the provisions of this Deed of Trust. No single sale or series of sales under this Deed of Trust or by judicial

foreclosure will extinguish the lien or exhaust the power of sale under this Deed of Trust except with respect to the items of property sold.

3. Trustee will apply the proceeds of sale, first to the payment of all expenses of the sale, second to the payment of the Debt in any order Mortgagee chooses and third the balance, if any, to any person who is entitled to it. This paragraph does not give any right, remedy or claim to any holder of any obligation or lien, other than Mortgagee.
7. Change of Trustee. Trustee may be removed at any time with or without cause, at the option of Mortgagee, by written declaration of removal executed by Mortgagee, without any notice to or demand upon Trustee, Mortgagor or any other person. If at any time Trustee is removed, dies or refuses, fails or is unable to act as Trustee, Mortgagee may appoint any person as successor Trustee hereunder, without any formality other than a written declaration of appointment executed by Mortgagee. Immediately upon appointment, the successor Trustee so appointed automatically will be vested with all the estate and title in the Mortgaged Property, and with all of the rights, powers, privileges, authority, options and discretions, and charged with all of the duties and liabilities, vested in or imposed upon Trustee by this instrument, and any conveyance executed by any successor Trustee will have the same effect and validity as if executed by the Trustee named in this Deed of Trust.
8. Notices. Except as otherwise provided, any notice, request or demand under this Deed of Trust must be in writing and will be sufficient if either delivered personally or deposited in the United States mail in a postpaid envelope addressed to the mailing address set forth below. A party may designate a different address by notice given in compliance with this Section. Any notice to Mortgagee must be sent or delivered to the officer named below or to another officer designated for receipt of such notices by Mortgagee. The names and mailing addresses of Mortgagor and Mortgagee are as follows:

Mortgagor:	Mortgagee:
P. O. Box 9400	Graham Brothers Communications, LLC
Midland, Texas 79708	6999 East Highway 80
	Odessa, Texas 79762
9. Additional Agreements. This Deed of Trust benefits the successors, assigns and legal representatives of Trustee and Mortgagee and binds any successors or transferees of Mortgagor (however, this provision does not permit Mortgagor to transfer the Mortgaged Property). Each reference to Mortgagor, Trustee or Mortgagee includes their respective successors, assigns and legal representatives.
10. Rules of Construction. The section headings or captions in this instrument are for convenience and are not a part of this instrument for any purpose. Use of the term "including" does not imply any limitation on (but may expand) the antecedent reference. Unless the context clearly requires otherwise, the term "may" does not imply any obligation

to act. Any reference to exhibits or schedules means the exhibits or schedules to this Deed of Trust, which are fully incorporated by reference into this Deed of Trust. Any reference to a particular document includes all modifications, supplements, replacements, renewals or extensions of that document, but this rule of construction does not authorize amendment of any document without Mortgagee's consent.

11. Subordination. It is stipulated, covenanted and agreed that the lien created by this Deed of Trust shall be and remain secondary and inferior to the lien securing payment of those certain Promissory Notes totaling \$_____ executed by Mortgagor and payable to the order of _____ and any renewals, extensions and amendments thereto, more fully described in a Deed of Trust dated _____ from Mortgagor to _____, as Trustee for the benefit of _____ and Mortgagor expressly covenants and agrees that should default be made in the payment of said Indebtedness to _____, the indebtedness described above, at the option of the holder thereof, shall at once become due and payable.

This instrument is dated the _____ day of _____, 2004, although is executed on the date of the acknowledgments annexed hereto.

_____, LLC, a Texas
limited liability company

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the _____ day of _____, 2004, by TOMMY R. VASCOCU, as President/Manager, for _____, LLC, a Texas limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

Exhibit A - Description of Land

EXHIBIT "E"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

SECOND LIEN SECURITY AGREEMENT

_____, P. O. Box 9400, Midland, Texas 79708 (hereinafter called "Debtor") and **GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company**, 6999 East Highway 80, Odessa, Texas 79762 (hereinafter called "Secured Party") agree as follows:

SECTION I **CREATION OF SECURITY INTEREST**

In order to secure the prompt and unconditional payment of the indebtedness herein referred to and the performance of the obligations, covenants, agreements and undertakings of Debtor herein described, Debtor hereby grants to Secured Party a security interest in the tangible personal property used in operation of the radio station known as KKCX-FM and KCSE-FM purchased by Debtor from Secured Party including, without limitation, the personal property described on Exhibit A attached hereto and made a part hereof in addition to all contracts, leases, licenses, call letters of the Station, which Debtor acquired under that certain purchase dated as of the date of this Security Agreement from Secured Party and all accessions and appurtenances thereto (hereinafter collectively called the "Collateral") and all products and proceeds of the Collateral (including, without limitation, all insurance and claims for insurance affected or held for the benefit of Debtor or Secured Party in respect to the Collateral).

SECTION II **SECURED INDEBTEDNESS**

This Agreement is made to secure and enforce the payment and performance of that certain debt, obligation and liability of _____ (hereinafter sometimes referred to as "Maker"), now existing in favor of Secured Party evidenced by that certain Promissory Note dated as of the date of this Agreement executed by Maker and payable to Secured Party in the original principal amount of \$275,000.00 and any renewals, extensions, modifications, amendments and supplements thereof. All such indebtedness is hereinafter sometimes called the "secured indebtedness" or the "indebtedness secured hereby."

SECTION III **COVENANTS**

3.1 Debtor covenants and agrees with Secured Party as follows:

- (a) Debtor shall make prompt payment, as the same becomes due, of all indebtedness secured hereby in accordance with the terms and provisions of the agreements evidencing such indebtedness.
- (b) Debtor will cause the Collateral to be maintained and operated in a good and workmanlike manner and in accordance with all applicable laws, rules, regulations and orders promulgated by all duly constituted authorities.
- (c) Debtor will cause to be paid prior to delinquency all taxes and assessments heretofore or hereafter levied or assessed against the Collateral, or any part thereof.
- (d) Debtor will keep the Collateral in good order, repair and operating condition, causing all necessary repairs, renewals, replacements, additions and improvements to be promptly made, and will not allow the Collateral to be misused, abused or wasted, or to deteriorate, except for the ordinary wear and tear of its intended primary use.
- (e) Debtor will keep the Collateral insured in an amount equal to the full insurable value thereof against loss or damage by fire, theft, collision and other hazards with a customary deductible under the circumstances.
- (f) Notwithstanding the security interest in proceeds granted herein, Debtor will not sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of all or any part of the Collateral or any interest therein or permit the title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise, except for sales in the ordinary course of business or sales as authorized in this Agreement or in writing by Secured Party.
- (g) Debtor shall account fully and faithfully for and, if Secured Party so elects, shall promptly pay or turn over to Secured Party the proceeds in whatever form received from the sale or disposition in any manner of any of the Collateral, whether the indebtedness secured hereby is mature or not, the order and method of application to be in the sole discretion of Secured Party, except as otherwise specifically authorized herein. Debtor shall at all times keep the Collateral and its proceeds separate and distinct from other property of Debtor's and shall keep accurate and complete records of the Collateral and its proceeds.
- (h) The Collateral will be used in the business of Debtor and shall remain in Debtor's possession or control at all times at Debtor's risk of loss.

3.2 Debtor agrees that, if Debtor fails to perform any act or to take any action which Debtor is hereunder required to perform or take, or to pay any money which Debtor is hereunder required to pay, Secured Party, in Debtor's name or in its own name, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any

expenses so incurred by Secured Party and any money so paid by Secured Party shall be a demand obligation owing by Debtor to Secured Party, and Secured Party, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts due and owing by Debtor to Secured Party pursuant to this Agreement shall bear interest from the date such amount is expended by Secured Party until paid at the Highest Lawful Rate and shall be a part of the secured indebtedness and shall be secured by this Agreement and by any other instrument securing the secured indebtedness.

SECTION IV **EVENTS OF DEFAULT**

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

- (a) Debtor shall fail to pay any principal of or interest on any secured indebtedness as and when due; or
- (b) any representation or warranty made in connection with the execution and delivery of this Agreement, any note evidencing the secured indebtedness or any other instrument now or hereafter securing the indebtedness secured hereby shall prove to have been incorrect, false or misleading when made; or
- (c) default shall occur in the punctual performance of any covenant of Debtor or any other person contained in any note evidencing the secured indebtedness, this Agreement or in any other instrument now or hereafter securing or guaranteeing the indebtedness secured hereby.

SECTION V **REMEDIES IN EVENT OF DEFAULT**

5.1 Upon the occurrence of an Event of Default, Secured Party shall have the option of declaring, without notice to any person, all indebtedness secured hereby, principal and accrued interest, to be immediately due and payable.

5.2 Upon the occurrence of an Event of Default, Secured Party is authorized to take possession of the Collateral and of all books, records and accounts relating thereto and to exercise without interference from Debtor any and all rights which Debtor has with respect to the management, possession, operation, protection or preservation of the Collateral, including the right to sell the same for the account of Debtor and to deduct from such sales proceeds all costs, expenses and liabilities of every character incurred by Secured Party in collecting such sales proceeds, in managing and operating, maintaining, protecting or preserving the Collateral and to apply the remainder of such sales proceeds on the indebtedness secured hereby in such manner as secured Party may elect. All such costs, expenses and liabilities incurred by Secured Party in collecting such

sales proceeds and in managing, operating, maintaining, protecting or preserving such properties, if not paid out of such sales proceeds as hereinabove provided, shall constitute a demand obligation owing by Debtor and shall bear interest from the date of expenditure until paid at the Highest Lawful Rate, all of which shall constitute a portion of the secured indebtedness. In connection with any action taken by Secured Party pursuant to this paragraph, Secured Party shall not be liable for any loss sustained by Debtor resulting from any failure to sell the Collateral, unless such loss is caused by willful misconduct and bad faith of Secured Party, nor shall Secured Party be obligated to perform or discharge any obligation, duty or liability under any lease agreement covering the Collateral or any part thereof, or under or by reason of this instrument or the exercise of rights or remedies hereunder.

5.3 Upon the occurrence of an Event of Default, Secured Party shall have all the rights of a Secured Party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies provided for herein:

- (a) Secured Party may enter upon Debtor's premises to take possession of, assemble and collect the Collateral or to render it unusable; and
- (b) Secured Party may require Debtor to assemble the Collateral and make it available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral; and
- (c) Written notice mailed to Debtor as provided herein ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; and
- (d) It shall not be necessary that the Collateral or any part thereof be present at the location of such sale; and
- (e) Prior to application of proceeds of disposition of the Collateral to the secured indebtedness, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the attorneys' fees and legal expenses incurred by Secured party, Debtor to remain liable for any deficiency; and
- (f) The sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the indebtedness secured hereby, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and

- (g) In the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and
- (h) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the indebtedness, or as to the occurrence of any default, or as to Secured party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or as to any other act or thing having been duly done by Secured Party, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and
- (i) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party.

5.4 All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instruments securing the payment of the secured indebtedness or any part thereof or otherwise benefitting Secured Party and resort to any remedy provided hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

5.5 Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the secured indebtedness, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

SECTION VI

ADDITIONAL AGREEMENTS

6.1 If all of the secured indebtedness be paid as the same becomes due and payable and if all of the covenants, warranties, undertakings and agreements made in this Agreement are kept and performed, then and in that event only, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and such security interest shall be released by Secured Party in due form at Debtor's cost.

6.2 Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a

waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice of demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on any secured indebtedness shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

6.3 Secured Party may at any time and from time to time in writing (a) waive compliance by Debtor with any covenant herein made by Debtor to the extent and in the manner specified in such writing; (b) consent to Debtor doing any act which hereunder Debtor is prohibited from doing, or consent to Debtor failing to do any act which hereunder Debtor is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Collateral or any interest therein from the security interest of this Agreement; or (d) release any party liable, either directly or indirectly, for the secured indebtedness or for any covenant herein or in any other instrument now or hereafter securing the payment of the secured indebtedness, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights of Secured Party hereunder except to the extent specifically agreed to by Secured Party in such writing.

6.4 If any part of the secured indebtedness cannot be lawfully secured by this Agreement or if any part of the Collateral cannot be lawfully subject to the security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is not secured by this Agreement.

6.5 Secured Party may assign this Agreement so that the assignee shall be entitled to the rights and remedies of Secured Party hereunder and in the event of such assignment, Debtor will assert no claims or defenses it may have against the assignee except those granted in this Agreement.

6.6 In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the indebtedness secured hereby in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or on the indebtedness secured hereby. No sale of the Collateral, no forbearance on the part of Secured Party and no extension of the time for the payment of the indebtedness secured hereby given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor hereunder or for the payment of the indebtedness secured hereby or the liability of any other person hereunder or for the payment of the indebtedness secured hereby, except as agreed to in writing by Secured Party.

6.7 Any notice, request, demand or other communication required or permitted hereunder shall be given in writing by delivering same in person to the intended addressee, or by United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address shown herein, or to such different address as the addressee shall have designated by written notice sent in accordance herewith and actually received by the other party at least ten (10) days in advance of the date upon which such change of address shall be effective.

6.8 This Agreement shall be binding upon Debtor, and the heirs, devisees, administrators, executors, personal representatives, successors, receivers, trustees and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall inure to the benefit of Secured Party and the successors and assigns of Secured Party. All references in this Agreement to Debtor or Secured Party shall be deemed to include all such parties.

6.9 Secured Party in its discretion may, whether or not any of the indebtedness secured hereby be due, in its name or in the name of Debtor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for, or make any compromise settlement deemed desirable with respect to, any of the Collateral, but Secured Party shall be under no obligation to do so.

6.10 Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

6.11 Secured Party may, by any employee or employees it designates, execute, sign, endorse, transfer or deliver in the name of Debtor, notes, checks, drafts or other instruments for the payment of money and receipts or any other documents necessary to evidence, perfect and realize upon the security interests and obligations of this Agreement.

6.12 The term "Debtor" as is used in this Agreement shall be construed as singular or plural to correspond with the number of persons executing this Agreement as Debtor. The pronouns used in this Agreement are in the neuter gender but shall be construed as feminine or masculine as occasion may require. "Secured Party" and "Debtor" as used in this Agreement include the heirs, devisees, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

6.13 A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Agreement to any person or circumstances is illegal or

unenforceable shall not affect the enforceability or validity of such provisions it may apply to any other persons or circumstances.

6.14 If more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several.

6.15 The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

6.17 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America.

6.18 It is stipulated, covenanted and agreed that the lien created by this Agreement shall be and remain secondary and inferior to the lien securing payment of those certain Promissory Notes totaling \$_____ executed by Debtor and payable to the order of _____ and any renewals, extensions and amendments thereto, more fully described in a Deed of Trust dated _____ from Debtor for the benefit of _____ and Debtor expressly covenants and agrees that should default be made in the payment of said Indebtedness to _____, the indebtedness described above, at the option of the holder thereof, shall at once become due and payable.

DATED the _____ day of _____, 2004, although EXECUTED on the _____ day of _____, 2004.

DEBTOR:

_____, LLC, a Texas limited liability company

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

SECURED PARTY:

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

EXHIBIT "F"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

GRAHAM BROTHERS COMMUNICATIONS, LLC
6999 EAST HIGHWAY 80
ODESSA, TEXAS 79762

SUBORDINATION AGREEMENT

Re: \$ _____ and \$ _____ Notes dated _____
 ("Promissory Notes") between _____ ("Bank") and
 _____ ("Borrower")

Dear Mr: _____:

For and in consideration of Bank advancing funds to Borrower for purposes of Borrower acquiring the "Purchased Assets" as described in that certain Asset Purchase Agreement dated November 14, 2003, by and between Graham Brothers Communications, LLC and Tommy R. Vascocu ("Asset Purchase Agreement"), the predecessor-in-title to the Borrower, Graham Brothers Communications, LLC (hereinafter referred to as "Graham Communications") (1) consent to the above Loans and Promissory Notes, (2) acknowledge that the indebtedness owed by Borrower to Graham Communications under the Asset Purchase Agreement ("Graham Communications Debt") is the only indebtedness owed by the Borrower to Graham Communications and (3) in all respects subordinates and makes junior and inferior (i) the Graham Communications Debt and all other debts, liabilities, obligations and all liens securing same of Borrower owed to Graham Communications now existing or hereafter incurred or arising, whether principal, interest, fees or expenses, direct, contingent, primary, secondary, joint and several, joint or several, or otherwise, and irrespective of the manner in which, or the person or persons in whose favor, such debts, liabilities, or other

obligations may at their inception have been, or may hereafter be, created or the manner in which Graham Communications may have acquired rights with respect thereto ("Subordinated Obligations") and the payment and enforcement of the Subordinated Obligations to (ii) the Promissory Notes and all other debts, liabilities, obligations and all liens securing same of Debtor owed to Bank now existing or hereafter incurred or arising including, but not limited to, all renewals, extensions and amendments thereto and future loans and advances by Bank to Borrower ("Senior Obligations") and the payment and enforcement of the Senior Obligations. Except as to the scheduled quarterly payments and the final payment owed under that certain Promissory Note dated _____ in the original principal amount of \$275,000.00 executed by Borrower and payable to Graham Communications, Graham Communications shall not accept, receive or collect (by set-off or other manner) any payment or distribution on account of any Subordinated Obligations and Borrower shall not make any such payment for so long as any amount is owing under the above Promissory Notes without Bank's prior written consent. In the event any funds are received by Graham Communications other than as permitted above, said funds shall be held in trust by the undersigned for the benefit of Bank and shall, on demand by Bank, be paid to Bank and credited on Bank's Promissory Notes and any renewals, extensions and modifications thereof.

Any liens, charges, security interests, pledges, assignments or other encumbrances securing the Subordinated Obligations are, and will at all times prior to the Termination Date, be subject, subordinate and inferior to all liens, charges, security interests, pledges, assignments and other encumbrances securing the Senior Obligations. By Termination Date is meant the date that no further amounts are owing by Borrower to Bank under the above Promissory Notes.

Prior to the Termination Date, Graham Communications shall not accelerate or collect or attempt to collect from Borrower all or any part of the Subordinated Obligations, whether through the commencement or joinder of an action or proceeding or an Insolvency Proceeding, the enforcement of any rights against any property of Borrower, including without limitation any such enforcement by foreclosure, repossession or sequestration proceedings, or otherwise, except where Bank shall either request that Graham Communications join in it in bringing proceedings against Borrower.

No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by Graham Communications and Bank, and the waiver of any provision of this Agreement and no consent to any departure by Graham Communications therefrom shall be effective unless it is in writing and signed by Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Borrower hereby agrees to act in compliance with the terms and restriction of this Agreement and, in particular and without limitation, to make no payment on the Subordinated Obligations to Graham Communications in violation of this Agreement.

The undersigned understands that Bank is relying upon the validity of the statements contained herein in making the loan to the Borrower and, but for said representation set out above, Bank would not enter into the loan transaction and by the execution of this letter, certifies that the statements and representations contained herein are true and correct.

Very truly yours,

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

EXECUTED this _____
day of _____

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

ACCEPTED AND AGREED to
this _____ day of _____, 200__

_____, LLC, a
Texas limited liability company

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

EXHIBIT "G"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

WARRANTY DEED WITH VENDOR'S LIEN

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TOM GREEN

§

That **GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company** ("Grantor"), for and in consideration of the sums set out below, the receipt and sufficiency of which are hereby acknowledged and confessed, to it paid by Grantee and secured to be paid, by Grantee as follows:

- (a) Ten Dollars (\$10.00) and other good and valuable consideration; and
- (b) the further consideration of those certain [i] first-lien Promissory Notes dated _____ having a combined total commitment amount of \$ _____ executed by Grantee and payable to the order of _____ ("_____"), secured by that certain first and superior vendor's lien against and superior title to the property retained in this Deed in favor of _____ and is also secured by a first-lien Deed of Trust dated _____ from Grantee, to _____, Trustee for the benefit of _____ and [ii] second-lien Promissory Note dated as of the date of this Deed in the original principal amount of \$275,000.00 executed by Grantee and payable to the order of Grantor secured by a second and inferior vendor's lien against, and superior title to, the property retained in this Deed and also secured by a Second-Lien Deed of Trust dated as of the date of this Deed from Grantee to _____, Trustee for the benefit of Graham Brothers Communications, LLC;

has granted, sold and conveyed, and by these presents does GRANT, SELL and CONVEY unto _____, **LLC, a Texas limited liability company** ("Grantee"), whose address is P. O. Box 9400, Midland, Texas 79708, all of that certain tract or parcel of land situated in Tom Green County, Texas ("Property" or "Premises"), being more particularly described as follows:

See Exhibit "A" attached hereto and made a part hereof, together with all and singular the rights, fixtures, improvements and other appurtenances thereto subject to (1) the terms of any and all easements, restrictions, covenants, leases, conditions and agreements affecting the same, or any part thereof, as shown of record in the office of the County Clerk's Office of Tom Green County, Texas, (2) all unrecorded Easements and Rights-of-Way visible and apparent on the ground, but only to the extent the same are otherwise valid and in full force and effect, (3) the rights of any party or parties who are or have been in physical possession of any part of the Property or claim under any right of prescription, (4) any vacancies, conflicts and boundaries or discrepancies in area, (5) any rights of adjacent owners, (6) any obligations or restrictions imposed on the Property by any governmental authority and (7) any assessments for _____ ad valorem taxes, which the Grantor and Grantee agree to prorate as of the date of closing.

To have and to hold the above described Premises, together with, all and singular, the rights and appurtenances thereto and anywise belonging unto the said Grantee, its successors and assigns forever, and **GRAHAM BROTHERS COMMUNICATIONS, LLC** does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular the said premises unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same and Grantor further gives and grants unto Grantee full power and right of substitution and subrogation in and to all covenants and warranties by others heretofore given or made with respect to the Property assigned.

Grantor and Grantee have prorated, and the Grantee has assumed payment of the taxes and assessments imposed on the Property for the year _____, based upon the amount of such taxes imposed upon the Property for the year _____. Grantor and Grantee agree to make any adjustment

necessary to equitably adjust such proration upon receipt of actual tax information for the current year. If Grantee's change in use of the Property after the date hereof results in additional taxes for periods prior to the date hereof, the additional taxes shall be the obligation of Grantee.

_____, at Grantee's request, has paid in cash to Grantor a portion of the purchase price of the property as evidenced by the first-lien note. The first and superior vendor's lien against the property will be retained for the benefit of ____ and are transferred to ____ without recourse on Grantor to secure the first-lien Note. The second and inferior vendor's lien against the property will be retained for the benefit of Graham Brothers Communications, LLC to secure the second-lien indebtedness. Graham Brothers Communications, LLC agrees that this second and inferior vendor's lien against the property are and will remain subordinate and inferior to all liens securing the first-lien note, regardless of the frequency or manner of renewal, extension, or alteration of any part of the first-lien note or the liens securing it.

It is expressly agreed and stipulated that the Vendor's Lien is retained against the above described property, premises and improvements, until the above described Notes and indebtedness, and all interest thereon are paid in full according to their face and tenor, effect and reading, when this Deed shall become absolute.

DATED the _____ day of _____, 200__, although EXECUTED at Odessa, Ector County, Texas, on the date of the acknowledgment annexed hereto.

**GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company**

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

The foregoing instrument was acknowledged before me on this the _____ day of _____, 200____, by ROGER GEARHART, as President of GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT "H"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

BILL OF SALE

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TOM GREEN

§

That GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company ("Transferor"), in consideration of the payment of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby SELL and TRANSFER to _____, L.L.C., a Texas limited liability company ("Transferee"), any and all of Transferor's right, title and interest in and to:

- a. Except as excluded below, all tangible personal property of every kind or nature used in the operation of the radio stations KKCEN-FM and KCSE-FM (collectively referred to as the "Station," whether one or more) in the ordinary course of business (the "Personal Property"), including, without limitation, the personal property described in Exhibit "A" attached hereto and made a part hereof;
- b. The call letters, KKCEN and KCSE of the Station and all of the service marks, copyrights, trademarks, trade names and other similar rights, including applications and registrations therefor, used in connection with the past or present operation of the Station in which Seller has any right, title or interest (collectively, the "Intellectual Property");
- c. Except as excluded below, all books, records, files, reports, studies and accounts relating to the operation of the Station, subject to the right of Transferor to make and retain photocopies thereof for Transferor's personal use and reference and to obtain access to such books, records, files, reports, studies and accounts in accordance with the provisions of Section 2.2 a. of the Asset Purchase Agreement described below; and
- d. Except as excluded below, all other assets owned by Transferor as of the date of the Asset Purchase Agreement which are used or useful in connection with the operation

of the Station as of the date of this Agreement, real and personal, tangible and intangible;

specifically excepting from this sale the items set out in Section 2.2 of the Asset Purchase Agreement and those assets set out in Exhibit "B" attached hereto and made a part hereof.

This Bill of Sale is subject to the terms and conditions of that certain Asset Purchase Agreement dated November 14, 2003, by and between Transferor and Tommy R. Vascocu ("Agreement") including, but not limited to, the obligations of Purchaser to assume certain obligations as set out in Section 2.3 of the Agreement and the obligations of Transferor and Transferee to indemnify the other party pursuant to Section 13 of the Agreement.

This Bill of Sale and all of its terms and conditions are binding on Transferor and Transferee, their successors and assigns.

DATED AND EFFECTIVE at 12:01 A.M. on _____, 2004, although EXECUTED on the dates set out below.

TRANSFEROR:

GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company

EXECUTED this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

TRANSFeree:

LLC, a Texas limited
liability company

EXECUTED this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the _____ day of _____, 2004, by
ROGER GEARHART, as President of GRAHAM BROTHERS COMMUNICATIONS, LLC, a
Texas limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF ECTOR §

This instrument was acknowledged before me on the _____ day of _____, 2004,
by TOMMY R. VASCOCU, as President/Manager of _____, L.L.C., a Texas
limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT "I"

Attached to and made a part of that certain Asset Purchase Agreement dated November 14, 2003, by and between GRAHAM BROTHERS COMMUNICATIONS, LLC AND TOMMY R. VASCOCU.

ASSIGNMENT OF CONTRACT RIGHTS

GRAHAM BROTHERS COMMUNICATIONS, LLC, a Texas limited liability company ("Graham Communications"), in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, grants and conveys to _____, LLC, a Texas limited liability company ("Purchaser"), all of Graham Communications' right, title and interest in and to those contracts described in Exhibit "A" attached hereto and made a part hereof ("Contracts").

This Assignment is subject to the terms and conditions of that certain Asset Purchase Agreement dated November 14, 2003, by and between Graham Communications and Tommy R. Vascocu ("Agreement") including, but not limited to, the obligations of Purchaser to assume certain obligations as set out in Section 2.3 of the Agreement and the obligations of Graham Communications and Purchaser to indemnify the other party pursuant to Section 13 of the Agreement.

This Assignment and all of its terms and conditions are binding on Graham Communications and Purchaser, their successors and assigns.

DATED AND EFFECTIVE at 12:01 A.M. on _____, 2004, although
EXECUTED on the dates set out below.

GRAHAM BROTHERS COMMUNICATIONS,
LLC, a Texas limited liability company

EXECUTED this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Roger Gearhart, President

_____, LLC, a Texas limited liability company

EXECUTED this _____
day of _____, 2004

By: DO NOT SIGN - EXHIBIT ONLY
Tommy R. Vascocu, President/Manager