

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of May _____, 2006, between Dave Collier Communication Broadcasting, Inc., a Texas corporation ("Seller") and Proctor-Williams, Inc., a Texas corporation ("Buyer").

RECITALS

A. Seller holds the authorizations for radio broadcast station KSET(AM), Silsbee, Texas (the "Station") issued by the Federal Communications Commission (the "FCC").

B. Seller, as noted in the Final Judgment entered in Cause No. 43,334 styled Jewel P. White v. Collier Communications, Inc.; Proctor-Williams, Inc.; Hilco Communications, Inc.; and David Dean Collier, in the 356th Judicial District Court of Hardin County, Texas, in open court on the record assigned all its interests in the Station to Buyer;

C. Subject to the terms and conditions set forth herein, Seller desires to sell the Station Assets (defined below) to Buyer for cash in the amount of Five Hundred Dollars (\$500.00), and Buyer desires to so acquire the Station Assets. Further, Buyer is providing Seller additional consideration for the purchase of the Station in the form of Buyer's forgiveness of debt for all funds advanced to or on behalf of Seller by Buyer, or a related entity or person of Buyer, for filings, fees, taxes, judgments, and other costs associated with Seller's operation of the Station.

AGREEMENT

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

ARTICLE 1

SALE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, all of the right, title and interest of Seller in and to all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used in the operation of the Station, including without limitation the following assets and properties (the "Station Assets"):

(a) all licenses, permits and other authorizations which are issued to Seller by the FCC with respect to the Station, including without limitation any applications made to the FCC for any such licenses, permits or authorizations (collectively, the "FCC Licenses"), and any renewals or modifications of any FCC Licenses between the date hereof and the Closing;

(b) all equipment, electrical devices, antennae, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, motor vehicles, spare parts and other tangible personal property of every kind and description which are used in the operation of the Station (the "Tangible Personal Property");

(c) all Real Property Leases (defined in Section 6.8 hereof), Equipment Leases (defined in Section 6.8 hereof), and other contracts, agreements, and leases which are used in the operation of the Station (the "Station Contracts");

(d) all of Seller's rights in and to the Station's call letters and Seller's rights in and to the other intangible property which is used in the operation of the Station (the "Intangible Property");

(e) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station's local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to the Excluded Assets;

(f) any and all claims and rights against third parties if and to the extent that they relate to the Station Assets, including, without limitation, all rights under manufacturers' and vendors' warranties;

(g) all deposits, reserves and prepaid expenses relating to the Station and prepaid taxes relating to the Station or the Station Assets (which shall be prorated at the Closing as provided in Section 3.1 hereof); and

(h) all of Seller's goodwill in, and going concern value of, the Station.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for liens for taxes not yet due and payable and for which Buyer receives a prorated payment from Seller pursuant to Section 3.1 hereof (collectively, "Permitted Liens").

1.2 Purchase Price.

(a) Purchase Price. The purchase price to be paid for the Station Assets will be Five Hundred Dollars (\$500.00) in cash payable by check pursuant to Section 3.1 hereof (the "Purchase Price").

ARTICLE 2

ASSUMPTION OF OBLIGATIONS

2.1 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller (the "Assumed Obligations") arising after the Closing under the Station Contracts; provided, however, without limiting the foregoing, the Assumed Obligations shall not include any notes or other indebtedness of Seller.

2.2 Retained Obligations. Buyer does not assume or agree to discharge or perform and will not be deemed by reason of the execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, any liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise and whether or not disclosed to Buyer, other than the Assumed Obligations (the "Retained Obligations").

ARTICLE 3

ADJUSTMENTS, ETC.

3.1 Prorations and Adjustments.

Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operations of the Station shall be prorated in accordance with generally accepted accounting principles as of 11:59 p.m. on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes, business and license fees, music and other license fees (including any retroactive adjustments thereof), utility expenses, amounts due or to become due under contracts, rents, lease payments and similar prepaid and deferred items. The prorations and adjustments contemplated by this Section 3.1 shall be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within ninety (90) calendar days of the Closing Date. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided herein and such disputes shall be resolved by an independent certified public accountant mutually acceptable to the parties, the determination of which shall be final and binding on the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. Promptly following agreement or final determination regarding the prorations contemplated by this Section 3.1 (which shall not be reflected by any adjustment to the Purchase Price), a cash payment in respect of such prorations shall be made by Seller to Buyer or by Buyer to Seller, as the case may be.

3.2 Allocations. By agreement of the parties, the value of the assets comprising the Station Assets is Five Hundred Dollars (\$500.00). Filings under Section 1060 of the Internal Revenue Code of 1985, as amended, shall be made consistent with such value.

ARTICLE 4

THE CLOSING

4.1 The consummation of the sale of assets under this Agreement (the "Closing") shall occur on a date (the "Closing Date") which is the later of (a) a date mutually agreed upon by the parties which date shall be within ten (10) business days after the grant of FCC Consent (defined below) having become a Final Order (defined below), and (b) September 30, 2006. The Closing shall be held at a place mutually agreed upon by the parties, subject to satisfaction or

waiver of the conditions to the Closing contained herein (other than those to be satisfied at the Closing), but in no instance shall the Closing occur prior to the grant of FCC Consent.

ARTICLE 5

GOVERNMENTAL CONSENTS

5.1 FCC Consent. The Closing is subject to and conditioned upon prior FCC consent (the "FCC Consent") to the assignment of the FCC Licenses to Buyer having become a Final Order. Final Order means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC's action is pending or in effect, and the deadline for filing any such appeal or request has passed.

5.2 FCC. Within ten (10) business days of the date of this Agreement, Seller and Buyer shall file an application with the FCC (the "FCC Application") requesting the FCC's Consent to the transactions contemplated herein. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible.

5.3 General. Seller and Buyer shall notify each other of all documents filed with or received from any governmental agency (including the FCC) with respect to this Agreement or the transactions contemplated hereby. Seller and Buyer shall furnish each other with such information and assistance as such the other may reasonably request in connection with their preparation of any governmental filing hereunder. Without limiting the foregoing, Seller and Buyer shall cooperate with the FCC in connection with obtaining the FCC Consent, and shall promptly provide all information and documents requested by the FCC in connection therewith. If either Seller or Buyer becomes aware of any fact relating to it which would prevent or delay the FCC Consent, such party shall promptly notify the other party thereof and the parties shall use commercially reasonable efforts to remove such impediment.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

6.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the "Seller Ancillary

Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

6.2 Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.3 No Conflicts. Neither the execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject or any Station Contract; or (ii) require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent, or any other third party.

6.4 FCC Licenses. Seller is the holder of the FCC Licenses described above which constitute all of the FCC Licenses used in the operation of the Station and necessary for the operation of the Station as currently operated. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Station. The Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC.

6.5 Taxes. Seller has, in respect of the Station's business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

6.6 Personal Property. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. All items of Tangible Personal Property, including without limitation equipment and electrical devices, are in good operating condition and repair (reasonable wear and tear in ordinary usage excepted), are free from material defect or damage, are functioning in the manner and for the purposes for which they were intended, have been

maintained in accordance with industry standards in all material respects, and do not require any repairs or replacement other than normal routine maintenance.

6.7 Real Property. The real property owned in fee simple by the Seller, used in the operation of the Station, and transferred to Buyer in accordance with this Agreement is the identical parcel of real property originally transferred by Jewel P. White to Proctor-Williams, Inc. in 1998.

6.8 Contracts. Each of the Station Contracts is in effect and is binding upon Seller and, to the best of Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally), and Seller has not assigned or pledged its rights under any Station Contract to any other party. Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to the best of Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. Schedule 1.1 hereto specifically identifies all leases or licenses of real property or any interest therein (the "Real Property Leases") and all leases of equipment or other tangible personal property or fixtures or any interest therein (the "Equipment Leases"). Schedule 1.1 hereto also includes a true and complete legal description of any real estate leased under each of the Real Estate Leases.

6.9 Environmental. No hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the real property (including leased real property) included in the Station Assets. Further, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station, and there are no underground storage tanks, whether in use or closed, on or under the real property (including leased real property) included in the Station Assets. Seller is in compliance in all material respects with all environmental, health and safety laws, and all FCC requirements pertaining to RF radiation and has obtained all environmental, health and safety permits necessary for the operation of the Station, all such permits are in full force and effect, and Seller is in compliance in all material respects with the terms and conditions of all such permits. Seller has not received any notice, nor does Seller have any knowledge of any administrative or judicial investigations, proceedings or actions with respect to violations, alleged, or proved, of any environmental, health and safety laws involving the real property (including leased real property) included in the Station Assets.

6.10 Intangible Property. Seller has received no notice of any claim that its use of the Intangible Property infringes upon any third party rights, and Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

6.11 Compliance with Law. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Station. There is no action, suit or proceeding pending or threatened against Seller in respect of the Station that will subject Buyer to liability or which questions the legality or propriety of the transactions contemplated by this Agreement. To the best of Seller's

knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Station.

6.12 No Finder. No broker, finder or other person (other than any such person the fees and commissions of which Seller shall be solely responsible for) is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

6.13 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to the best of Seller's knowledge, threatened against, the Station or Seller relating to or affecting the Station nor, to the best of the best of Seller's knowledge, is there any basis for any such suit, arbitration, administrative charge or other legal proceeding, claim or governmental investigation. Seller has not been operating the Station under or subject to, or in default with respect to, any judgment, order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, foreign or domestic.

6.14 Sufficiency of Assets. The Station Assets constitute all of the assets and properties that are currently used in the operation of the Station and that are necessary to operate the Station in compliance with applicable law, the provisions of the FCC Licenses, and the rules and regulations of the FCC.

6.15 Disclosure. No provision or information contained in this Agreement relating to Seller, the Station or the Station Assets, or in any Schedule or Exhibit hereto, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. Except for facts affecting the radio industry generally, there is no adverse fact now known to Seller relating to the Station or the Station Assets which would have a material adverse impact on the Station Assets or the operation of the Station after the Closing which has not been disclosed to Buyer.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller:

7.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

7.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all

necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 No Conflicts. Neither the execution and delivery by Buyer of this Agreement and the Buyer Ancillary Agreements or the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject or, (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent.

7.4 No Finder. No broker, finder or other person (other than any such person the fees and commissions of which Buyer shall be solely responsible for) is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

7.5 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC.

7.6 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to the best of Buyer's knowledge, threatened against, Buyer relating to or affecting this Agreement or the transactions contemplated hereby, nor, to the best of Buyer's knowledge, is there any basis for any such suit, arbitration, administrative charge or other legal proceeding, claim or governmental investigation.

ARTICLE 8

COVENANTS

8.1 Seller's Covenants. Seller covenants and agrees with respect to the Station that between the date hereof and the Closing except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall:

(a) not sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens;

(b) furnish Buyer with such information relating to the Station Assets as Buyer may reasonably request, at Buyer's expense and provided such request does not interfere unreasonably with the business of the Station;

(c) not take any action, or fail to take any action within its control, that would result in any of the representations or warranties in Article 6 of this Agreement to be untrue as of the Closing; and

(d) use best efforts to make the deliveries set forth in Section 13.1 hereof by the date contemplated to be the Closing Date under Section 4.1 hereof.

ARTICLE 9

JOINT COVENANTS

Seller and Buyer hereby covenant and agree that between the date hereof and the Closing:

9.1 Cooperation. Each party (i) shall cooperate fully with one another in taking any commercially reasonable actions (including without limitation, reasonable actions to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the prompt satisfaction of any condition to the Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

9.2 Review of Books, Records and Work Papers. Each party shall cooperate fully with one another in the event the Buyer elects, in the Buyer's sole discretion and at the Buyer's expense, within 90 days of the date hereof, to have Buyer's accountants review the books, records and work papers of the Seller to the extent relating to the Station in order to audit the historical statements of the Seller.

ARTICLE 10

CONDITIONS OF CLOSING BY SELLER

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to the Closing of each of the following conditions:

10.1 Representations, Warranties and Covenants. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to the Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer, executed by an authorized officer of Buyer to the effect that the conditions set forth in this Section 10.1 have been satisfied.

10.2 Governmental Consents. The FCC Consent shall have been obtained, and no court or governmental order prohibiting the Closing shall be in effect.

10.3 Closing Deliveries. Buyer shall have made each of the deliveries contemplated by Section 13.2 hereof.

ARTICLE 11

CONDITIONS OF CLOSING BY BUYER

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to the Closing of each of the following conditions:

11.1 Representations, Warranties and Covenants. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to the Closing shall have been complied with or performed in all material respects. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller, to the effect that the conditions set forth in this Section 11.1 have been satisfied.

11.2 Governmental Consents. The FCC Consent shall have been obtained, and shall have become a Final Order, and no court or governmental order prohibiting the Closing shall be in effect.

11.3 Closing Deliveries. Seller shall have made each of the deliveries contemplated by Section 13.1 hereof.

ARTICLE 12

EXPENSES

Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that all FCC filing fees shall be paid by Buyer.

ARTICLE 13

DOCUMENTS TO BE DELIVERED AT CLOSING

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

(i) certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(ii) the certificate described in Section 11.1 hereof;

(iii) such bills of sale, general warranty deeds, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by

Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens; and

(iv) such consent and estoppel certificates with respect to the Station Contacts as Buyer may reasonably request, in form and substance reasonably acceptable to Buyer.

13.2 Buyer's Documents. At the Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(ii) the certificate described in Section 10.1 hereof;

(iii) such documents and instruments of assumption as may reasonably be requested by Seller for Buyer to assume the Assumed Obligations; and

(iv) the Purchase Price, paid in accordance with Section 1.2(a) hereof.

ARTICLE 14

SURVIVAL INDEMNIFICATION

14.1 Survival. The covenants, agreements, representations and warranties in this Agreement shall survive the Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except that (i) the representations and warranties contained in Sections 6.1, 6.2, 7.1 and 7.2 hereof shall survive without limitation; (ii) indemnification obligations of Seller contained in Section 14.2(a)(ii) hereof with respect to Claims made by third parties against Buyer shall survive until 90 days after the expiration of the applicable statute of limitations for any such Claim; and (iii) those under this Article 14 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to expiration, which shall survive until resolved.

14.2 Indemnification.

(a) From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any untrue representation or warranty of Seller made in this Agreement, any failure by Seller to perform any covenant or agreement contained in this Agreement, or any other breach or default by Seller under this Agreement; and (ii) the failure of Seller to perform and discharge the Retained Obligations or the business or operation of the Station before the Closing.

(b) From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or

resulting from: (i) any untrue representation or warranty of Buyer made in this Agreement, any failure by Buyer to perform any covenant or agreement contained in this Agreement, or any other any breach or default by Buyer under this Agreement; and (ii) the failure of Buyer to perform and discharge the Assumed Obligations or the business or operation of the Station after the Closing.

14.3 Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions:

(a) The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

(b) In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(d) All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with

respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

ARTICLE 15

TERMINATION

15.1 Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);
- (c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);
- (d) by written notice of either party to the other if the FCC denies the FCC Application by Final Order; or
- (e) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the second anniversary of the date of this Agreement and the party giving notice is not then in default hereunder.

The term "Cure Period" as used herein means a period commencing the date a party receives from the other written notice of breach or default hereunder and continuing for twenty (20) days thereafter. Except as set forth below, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Section 12 hereof shall survive any termination of this Agreement.

ARTICLE 16

MISCELLANEOUS PROVISIONS

16.1 Further Assurances. After the Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

16.2 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld or delayed.

16.3 Amendments. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whose enforcement of any waiver, amendment, change, extension or discharge is sought.

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

16.5 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Texas without giving effect to the choice of law provisions thereof.

16.6 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Buyer: Proctor-Williams, Inc.
9 Inwood Manor
San Antonio, Texas 78248
Facsimile: (603) 522-6348

with a copy (which shall not constitute notice) to: Timothy H. Bannwolf, Esq.
Bracewell & Giuliani LLP
800 One Alamo Center
106 S. St. Mary's, Suite 800
San Antonio, Texas
Facsimile: (2103) 299-0100

if to Seller: Dave Collier Communication Broadcasting, Inc.
Route 1, Box 171A
Lovelady, Texas 75851

16.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

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

16.9 Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

16.10 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

16.11 Specific Performance. Buyer and Seller agree that the Station Assets are unique and that Buyer would be damaged irreparably in the event the Closing were not to occur due to Seller's breach of this Agreement. Therefore, Buyer and Seller agree that, in addition to any other remedies available to it at law or in equity, Buyer shall have the right to compel Seller to specifically perform its obligations to deliver title to the Station Assets under this Agreement.

16.12 Delivery of Schedules. This Agreement is being executed and delivered prior to delivery of any Schedules hereto, and is subject to and contingent upon delivery of all of Seller's Schedules in form and substance reasonably satisfactory to Buyer, such delivery to be made within ten (10) business days of the date of this Agreement. If any of Seller's Schedules not delivered to Buyer as of the date of this Agreement are not delivered within such ten business day period or are not reasonably satisfactory to Buyer, then Buyer may terminate this Agreement by notice to Seller made within ten (10) business days after the expiration of such ten business day period.

16.13 Removal of Equipment. Within thirty (30) days of execution of this Agreement, Seller agrees to remove any of the Station Assets Buyer deems unnecessary for operation of the Station to a location designated by Buyer, in writing. Buyer shall compensate Seller for said removal up to a maximum total amount of Three Hundred Fifty Dollars (\$350.00).

16.14 Covenant Not to Compete. As further consideration for Buyer's purchase of the Station Assets from Seller, Seller agrees that, for a period of two (2) years from and after the Closing Date, neither Seller nor any of its subsidiaries, affiliates, successors or assigns, will engage directly or indirectly in the operation of a radio or television station, or other radio or television broadcasting business, within ninety (90) miles of the transmitter site of the Station, without Buyer's prior written consent.


16.15 Local Marketing Agreement. Should the Station return to the air prior to the Closing Date, Seller agrees to enter into a local marketing agreement ("the LMA") with Buyer, should Buyer elect to do so, upon written notice to Seller. Said LMA shall be upon such terms and conditions as are mutually acceptable to Buyer and Seller.

[Remainder of page intentionally left blank]

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


BUYER:

PROCTOR-WILLIAMS, INC.

By: 
Name: William Hill
Title: President

SELLER:

**DAVE COLLIER COMMUNICATION
BROADCASTING, INC.**

By: 
Name: Dave Collier
Title: President