

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into this 24th day of January, 2014 by and between Rhattigan Broadcasting (Texas), LP, a Texas limited partnership and all of its affiliates (“Seller”), and Kbest Media, LLC, a Texas limited liability company (“Buyer”) (collectively, Seller and Buyer are the “Parties”).

Recitals

WHEREAS, Seller is the licensee of radio stations KBST(AM), Big Spring, Texas (FCC Facility I.D. No. 33684), KBST-FM, Big Spring, Texas (FCC Facility I.D. No. 33685), and KBTS(FM), Big Spring, Texas (FCC Facility I.D. No. 15827) (collectively, the “Stations”); and

WHEREAS, Seller desires to sell the assets used and useful in the operation of the Stations to Buyer and Buyer desires to purchase all such assets; and

WHEREAS, Seller desires to assign all the licenses and other authorizations necessary for operation of the Stations to Buyer upon obtaining all requisite governmental consents, and Buyer desires to acquire all such licenses and other authorizations; and

WHEREAS, Seller, as tenant, desires to assign certain leases relating to real property used and useful in the operation of the Stations to Buyer upon obtaining all requisite landlord consents, and Buyer desires to assume all such leases;

Agreement

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1 **Sale and Assignment of Assets.** Subject to and in reliance upon the Closing, Seller will sell, assign, transfer and deliver to Buyer all of the assets and rights of every kind and nature, real, personal, and mixed, tangible and intangible now or hereafter owned by Seller or in which Seller now or hereafter has an interest used or useful in connection with the operation of the Stations, including assets and rights acquired by Seller or arising between the date hereof and the Closing Date, including, without limitation, the following (all of which are hereinafter collectively called the “Assets”):

1.1 **Licenses.** All licenses, permits and authorizations issued by any governmental or regulatory agency, including, but not limited to, licenses for the Stations granted by the Federal Communications Commission (“FCC”) (including FCC antenna structure registration numbers (“ASRs”)) which are transferable or assignable, used or useful in the operation of, or in connection with the operation of, the Stations, as listed on Schedule 1.1 (the “Licenses”);

1.2 **Tangible Assets.** All tangible assets of Seller used or useful in the operation of the Stations, such as all antenna towers, ground systems, transmitters, related RF transmission equipment and cables, studio equipment, furniture and office equipment and any other broadcasting assets associated with the Stations as are set forth on but not limited to Schedule 1.2 (the "Tangible Assets");

1.3 **Assigned Contracts.** The leases, contracts and agreements listed on Schedule 1.3, and all oral or written contracts or agreements to air advertising for cash or trade, to the extent such leases, contracts or agreements pertain to the Stations as specified on Schedule 1.3 (collectively, the "Assigned Contracts");

1.4 **Call Letters.** All right, title and interest of the Seller in and to the use of the call letters for the Stations (the "Call Letters");

1.5 **Intangible Assets.** All goodwill, copyrights, trademarks, logos, trade names, jingles, slogans or other intangible property rights, if any, which the Seller may have acquired or used in the operation of the Stations as set forth on Schedule 1.5 (the "Intangible Assets");

1.6 **Real Property.** All of Seller's rights and interests in the real property listed on Schedule 1.6 (the "Real Property"); and

1.7 **Business Records.** All business records of the Stations relating to its operation (including without limitation, tapes, computer disks, electronic processing software used in the operation of the Stations, accounting journals and ledgers, customer lists, and each Station's logs) and including the public inspection file (which Seller shall use its reasonable good faith efforts to bring up to date by the Closing Date), but not including tax records (the "Business Records").

1.8 **Excluded Assets.** The Assets to be assigned hereunder shall not, however, include (a) cash and cash equivalents, deposits and bank accounts; (b) any life insurance wherein the Seller is the owner; (c) any investments or securities owned by the Seller; (d) Seller's minute books, limited liability company agreement and other organizational documents, limited liability company interest record books and such other books and records relating to the formation, existence or capitalization of Seller, as well as any other records or materials relating to Seller generally and not involving each Station's operations; (e) contracts of insurance and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date; and (f) any books and records relating to any of the foregoing, except to the extent that Buyer wishes to make, at its expense, a duplicate copy of such materials in order to facilitate its operation of the Stations and the conduct of its business.

2 **Purchase Price and Payment/Escrow Deposit.**

2.1 **Purchase Price.** In consideration for the sale, assignment, transfer and conveyance of the Assets, and upon satisfaction in full of the terms and conditions of this Agreement, at Closing Buyer shall pay Seller the sum of One Million One Hundred Thousand Dollars (\$1,100,000.00) plus or minus any adjustment to be made pursuant to Section 2.4, by wire transfer of available U.S. funds in accordance with instructions provided by Seller (the "Purchase Price").

2.2 **Escrow.** Simultaneously with the execution hereof, Buyer will deposit with Big Spring Abstract & Title Co., Inc. (the "Escrow Agent") the sum of Eighty-Two Thousand Five Hundred Dollars (\$82,500.00) as an earnest money deposit (the "Escrow Deposit"). The Escrow Agent shall hold the Escrow Deposit in an interest bearing account and disburse the Escrow Deposit pursuant to the Escrow Agreement attached hereto as Exhibit A. The terms of said Escrow Agreement are incorporated by reference herein and made a part of this Agreement.

2.3 **Allocation of Purchase Price.** The Purchase Price shall be allocated amongst the FCC Licenses, Tangible Assets and Intangible Assets in accordance with Schedule 2.3. In the event that the Purchase Price is changed for any reason, the allocation of the Purchase Price shall be prorated accordingly. Buyer and Seller agree that the allocation shall be conclusive and binding on Buyer and Seller for all purposes, including without limitation, reporting and disclosure requirements of the Internal Revenue Service.

2.4 **Proration of Income and Expenses.** Except as otherwise provided herein, all expenses arising from Seller's ownership and use of the Assets to be conveyed hereunder that are customarily prorated shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 12:01 a.m., Eastern time, on the Closing Date (the "Adjustment Time"), on the basis that all expenses which accrue prior to the Adjustment Time are for the account of Seller, and all expenses which accrue after the Adjustment Time are for the account of Buyer. Such prorations shall include, without limitation, all real property, ad valorem, and other property taxes (but excluding taxes arising by reason of the assignment of the Assets as contemplated hereby, which shall be paid by Buyer), contract payments, utility charges, business, programming, music and other license fees currently paid by Seller, FCC annual regulatory fees, and similar prepaid and deferred items attributable to the ownership of the Stations or the Assets. The prorations and adjustments contemplated by this Section, to the extent practicable, shall be made on the Closing Date to the Purchase Price. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within thirty (30) days following the Closing Date, with payment made by wire transfer of immediately available funds to an account designated by the party who is to receive such payment. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at such time and such disputes shall be resolved by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. The decision of such accountant shall be rendered within ninety (90) days after

the Closing and shall be conclusive and binding on the parties.

3 **No Assumption of Liabilities.** Buyer shall not assume and shall not be obligated to pay any of the liabilities or obligations of Seller, except liabilities and obligations arising or accruing on or after the Closing Date with respect to the Assigned Contracts. Upon assumption by Buyer of the Assigned Contracts, Buyer shall be entitled to all of Seller's rights and benefits thereunder and shall relieve Seller of its obligations to perform the same.

4 **Seller's Representations and Warranties.** The following representations and warranties shall survive for one (1) year from the Closing Date. For purposes of this Section 4, all references to the "knowledge of Seller" or to the "best of Seller's knowledge" shall mean the actual knowledge of the principals of Seller. The Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date, with respect to the Station, as follows:

4.1 **Formation, Standing and Power.** Seller is a Texas limited partnership, validly existing and in good standing under the laws of the State of Texas. Seller is duly authorized to conduct business in the State of Texas and has all necessary power and authority to own, use and assign its properties and Assets and to transact its business as now being conducted. There are no other jurisdictions in which the character or use of Seller's Assets or the nature of its business makes necessary the licensing or qualification of Seller to do business.

4.2 **Authority for Transaction.** Seller's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby have all been duly and validly authorized by all necessary action on the part of Seller, including approval by the Seller's members, and this Agreement is valid and binding upon Seller in accordance with its terms.

4.3 **Conveyance of Assets.** At Closing, Seller shall convey to Buyer good and marketable title to all the Assets, real, personal and/or mixed, free and clear of all liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances or other defects of title except for the lien of any personal property taxes that will not become due until after the Closing Date.

4.4 **Licenses.** Seller is, and on the Closing Date will be, the holder of the Licenses, all of which are in full force and effect. The Licenses listed in Schedule 1.1 constitute all material licenses, permits and governmental authorizations and approvals necessary for the operation of the Stations. No proceeding (judicial, administrative or otherwise) has been commenced or, to the best of Seller's knowledge, threatened against Seller, any of its affiliates, the Stations or in respect of any License which could lead to a revocation, suspension or limitation of the rights under any License. Seller is in compliance with each of the Licenses and knows of no state of facts related to Seller, its affiliates, the Stations or the Licenses which could lead to any such revocation, suspension or limitation of any License. Seller has no reason to believe that any License will not be renewed, nor has any person or entity informed Seller that such person or entity intends to oppose such renewal or application for a license. Since Seller became the Licensee of the Stations in 2004, none of the Stations have been "silent" for more

than 30 days, and none of the Licenses for the Stations are subject to the automatic forfeiture provisions of 47 U.S.C. §312(g). There are no FCC enforcement proceedings or investigations ongoing pertaining to the Stations, and Seller has no knowledge of or reason to believe that any such proceedings or investigations are pending or threatened against any of the Stations. All sums owed by Seller to the FCC, including but not limited to annual regulatory fees (and penalties and interest, if applicable) have been paid, and the Seller is currently in "green light" status with the FCC Office of Managing Director.

4.5 **Sufficiency of Assets.** On the Closing Date, Seller shall deliver to Buyer all the Tangible Assets, including but not limited to those items listed on Schedule 1.2, which shall include transmitting equipment that are currently used by the Stations in its operations, which taken as a whole, are operational, are in good working condition, normal wear and tear excepted and have been serviced and maintained by Seller in accordance with normal industry standards and practices and applicable FCC rules and regulations.

4.6 **Contracts, Leases, Agreements, Etc.** Schedule 1.3 contains a true and complete list of all Assigned Contracts, and Seller has delivered to Buyer complete and correct copies of all of the Assigned Contracts on Schedule 1.3 (including amendments and modifications thereto) to the extent such Assigned Contracts are in writing (and to the extent such contracts are not in writing, a description of the material terms of such Assigned Contracts). The Licenses, Assigned Contracts, Call Letters and Intangible Assets to be transferred or assigned to Buyer are now and will, on the Closing Date, be valid, binding and in full force and effect except with respect to expiration dates and other limitations contained within such instruments. Seller, and to the best of Seller's knowledge, each other party thereto have complied in all material respects with all provisions of the Assigned Contracts required to be complied with by them and neither Seller nor, to best of Seller's knowledge, any such other party is in default in any material respect thereunder, and no event has occurred which, but for the passage of time or giving of notice or both would or might constitute a default or termination under any Assigned Contract. Each such Assigned Contract may be assigned in accordance with its terms, or approval for assignment ("Consents") will have been received by the Closing Date. By the Closing, Seller will provide Buyer with evidence satisfactory to Buyer that any amounts in arrears on the Assigned Contracts have been paid up to the Closing Date. Consents for the Assigned Contracts, shall be procured and obtained by Seller, at Seller's own cost and expense, shall be to Buyer's reasonable satisfaction and without any conditions on Buyer, including but not limited to any additional burden, financial or otherwise, on Buyer.

4.7 **Employees and Agreements Relating to Employment.** Seller has provided Buyer with an accurate list of the employees of the Stations, their current rate of compensation, all fringe benefits, and any employment contracts. There is (a) no written employment contract with any employee of the Station, (b) no obligation, contingent or otherwise, under any employment arrangement, (c) no collective bargaining agreement, (d) no employee pension, retirement, profit sharing, bonus or similar plan, and (e) no union has been certified or sought recognition as a bargaining agent for any employee of the Stations. Buyer shall have no obligation to employ any employee after the Closing, but may discuss potential employment with any employee prior to the Closing.

4.8 Legal Proceedings, Etc. No litigation, investigation, court or administrative proceeding is pending or, so far as is known to the Seller, threatened against Seller relating to the Stations or any Asset to be conveyed hereunder which would affect Buyer's enjoyment of the Assets, or which would hinder or prevent the consummation of the transactions contemplated by this Agreement, and Seller does not know, or have reasonable grounds to know, of any basis for any such possible action.

4.9 Compliance with Licenses, Laws, Regulations and Orders. To the knowledge of Seller, Seller is in compliance with all material terms and conditions of all Licenses, laws, regulations and orders applicable to its business and operations (including the Assets) including, without limitation, compliance with the Communications Act of 1934, as amended (the "Communications Act") and all regulations issued by the FCC, and, Seller is not charged with violating or, to the best of Seller's knowledge, threatened with a charge of violating or under investigation with respect to a possible violation of, any provision of any License, or any federal, state or local law or administrative ruling or regulations relating to any aspect of its business. To the knowledge of Seller, all of Seller's Assets operate in compliance with all material terms and conditions of its FCC Licenses and all laws, ordinances, codes, regulations (including applicable engineering standards required to be met under applicable FCC rules) and other requirements of any governmental authority having jurisdiction over the Assets.

4.10 No Conflict. Neither the execution and delivery of this Agreement by Seller, nor compliance by Seller with any of the provisions hereof, nor the consummation of the transactions contemplated hereby, will:

(a) conflict with or result in a breach of any provision of the Seller's Articles of Formation, Partnership Agreement or other corporate documents;

(b) result in a default, or give rise to any right of termination, cancellation or acceleration, under any term, condition or provision of any contract, encumbrance or other instrument or obligation to which Seller is a party or by which Seller or any of Seller's Assets may be bound; or

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Seller, or any of its Assets.

Except for the approval of the FCC, and such consents as are necessary for assignment of the Assigned Contracts as specified on Schedule 1.3, no consent, waiver or approval by, notice to or filing with any person or entity is required in connection with the execution and delivery of this Agreement by Seller, compliance by Seller with any of the provisions hereof or the consummation of the transactions contemplated hereby.

4.11 Operation of Stations. The Stations presently are and at Closing, will be operating in substantial compliance with all laws, regulations and orders, including without limitation, compliance with the Communications Act and all regulations issued by the FCC

thereunder, and the terms and conditions of the Licenses, and Seller knows of no breach or facts which might amount to a breach of any such law, regulation or order.

4.12 **Insurance.** The insurance policies owned by Seller or of which Seller is a named beneficiary will be in effect through the Closing Date and will be fully in effect in accordance with their terms, with no default in the payment of premiums on any such policy and no ground for cancellation or avoidance of any portion thereof or for reduction of the coverage provided thereby.

4.13 **Liabilities.** As of the Closing Date, all of Seller's liabilities, except for those liabilities arising on or after the Closing Date relating to the Assigned Contracts, shall have been fully paid and discharged and no creditors of Seller shall have any claim on the Assets for payment of such liabilities. With the exception of loans to the Seller's principals to the Seller which will be repaid out of the proceeds of the sale contemplated hereby, Seller has no contingent or undisclosed liabilities.

4.14 **No Misleading Statements.** The representations and warranties of Seller herein, or in any Schedule hereto, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

4.15 **Broker.** Except for Patrick Communications, LLC, Seller has not incurred nor become liable for any broker's commission or finder's fee relating to the transactions contemplated under this Agreement. Seller agrees to pay Patrick Communications' Brokerage fee and to indemnify and hold Buyer harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Seller's behalf in connection with this transaction.

4.16 **Liens.** Except as disclosed in Schedule 4.16, there are no outstanding liens (including, without limitation, any tax lien), claim, charge, security interest, mortgage, pledge, easement, lease, license, right of first offer or first refusal, conditional sale or other title retention agreement, defect in title or other restriction of any kind on the Assets (collectively, the "Liens"), or other restrictions, options, warrants, calls, convertible securities or other rights, agreements, arrangements or commitments of any kind that have been issued, made or granted to any person relating to Seller. The liens disclosed in Schedule 4.16 will be fully discharged as of the Closing Date by Seller, and Buyer will be provided with evidence of such discharge reasonably satisfactory to Buyer and its counsel, also on the Closing Date.

4.17 **Real Property.** Schedule 1.6 accurately describes in all material respects the Real Property. Seller has marketable fee simple title to the Real Property, free and clear of all liens, charges, encumbrances, restrictions, debts, demands, or claims of any kind or nature whatsoever. To Seller's knowledge, there are no encroachments upon the Real Property by any buildings, structures, or improvements located on adjoining real estate, and none of the buildings, structures, or improvements constructed on the Real Property encroaches upon adjoining real estate. To Seller's knowledge, there are no material structural defects in the buildings, structures,

or improvements located on the Real Property. There is legal access from the Real Property to a public roadway. All utilities that are required for the use of the Real Property for the purposes for which such properties are presently being used by Seller are connected and are in satisfactory working order (subject to normal wear and tear).

4.18 **Environmental liabilities.** There are no known environmental liabilities affecting or threatening the Assets, and there has been no written environmental audit conducted within the past five years by or on behalf of Seller of any of the Assets that has not been made available to Buyer prior to the date hereof.

5 **Buyer's Representations and Warranties.** The following representations and warranties shall survive for one (1) year from the Closing Date. The Buyer represents and warrants to Seller, as of the date hereof and as of the Closing Date, as follows:

5.1 **Buyer's Qualifications.** Buyer is legally and financially qualified to acquire the Stations. Buyer knows of no fact or circumstance which would, under the federal antitrust laws, the Communications Act, or the rules, regulations, and policies of the FCC, disqualify or preclude Buyer from being approved as an assignee of the Licenses. Should Buyer become aware of any such fact or circumstance, it will promptly inform Seller and Buyer will use its best efforts to remove any such disqualification or preclusion. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification. To Buyer's knowledge, there are no facts which, under the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or the antitrust policies as applied to the broadcasting industry by the Federal Trade Commission and the U.S. Department of Justice would prevent the consummation of the transactions contemplated by this Agreement. To Buyer's knowledge, there are no proceedings, complaints, notices of forfeiture, claims, or investigations pending or threatened against Buyer that would prohibit Buyer from (a) assuming the FCC Licenses or (b) prosecuting the FCC applications or seeking grant of the FCC Consents. No person or entity has informed Buyer that such person or entity intends to oppose the Assignment Application or consummation of the transactions contemplated by this Agreement. Buyer is qualified to own the cluster of radio stations licensed to Big Spring, Texas.

5.2 **Formation, Standing and Power.** Buyer is a Texas limited liability company, validly existing and in good standing under the laws of the Texas and qualified to do business in the State of Texas. Buyer has all necessary power and authority to execute and deliver this Agreement, to comply with the provisions hereof and to consummate the transactions contemplated hereby.

5.3 **Authority for Transaction.** Buyer's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Buyer, and this Agreement is valid and binding upon Buyer in accordance with its terms.

5.4 **No Conflict.** Neither the execution and delivery of this Agreement by Buyer, nor compliance by Buyer with any of the provisions hereof, nor the consummation of the transactions contemplated hereby will:

(a) conflict with or result in a breach of any provision of Buyer's Certificate of Formation, Company Agreement or other corporate documents;

(b) result in a default, or give rise to any right of termination, cancellation or acceleration, under any term, condition or provision of any contract, encumbrance or other instrument or obligation to which Buyer is a party or by which it or any of its properties or assets may be bound; or

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets.

Except for the approval of the FCC, certain filings required to be made with the FCC after the Closing Date, no consent, waiver or approval by, notice to or filing with any person or entity is required in connection with the execution and delivery of this Agreement by Buyer, compliance by Buyer with any of the provisions hereof or the consummation of the transactions contemplated hereby.

5.5 **Legal Proceedings, Etc.** There is no legal, equitable, administrative or arbitration action, suit, proceeding or known investigation pending or, to Buyer's knowledge, threatened against or affecting Buyer or any of its assets which, if adversely determined, would adversely affect the ability of Buyer to consummate the transactions contemplated hereby.

5.6 **No Misleading Statements.** The representations and warranties of Buyer herein, or in any Schedule hereto, do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein not materially misleading.

5.7 **Broker.** Seller has not incurred nor become liable for any broker's commission or finder's fee relating to the transactions contemplated under this Agreement. Seller agrees to pay any brokerage fee that should arise and to indemnify and hold Buyer harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Seller's behalf in connection with this transaction.

6 **Seller's Covenants.**

6.1 **Indemnification.**

(a) The sole and exclusive remedy which Buyer shall have against Seller under this Agreement after the Closing Date shall be the right to proceed for indemnification in the manner and only to the extent provided by this Section 6. Seller hereby indemnifies Buyer and holds it and its agents, successors and assigns harmless, with respect to

demands for indemnification asserted by Buyer, as provided by this Section 6.1, within one (1) year after the Closing Date from, against and in respect of:

(1) the ownership and operation of the Stations prior to the Closing, including, but not limited to all liabilities, obligations, claims against and contracts of Seller of every kind and nature whatsoever, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Seller, arising out of or by reason of this or any other transaction or event occurring prior or subsequent to the Closing, which have not been assumed by Buyer; and

(2) all losses, damages and deficiencies resulting from any failure or breach of any representation or warranty, or any breach or nonfulfillment of any covenant or agreement, of Seller made in this Agreement; and

(3) all actions, suits, proceedings, claims, demands, assessments, judgments, fines, amounts paid in settlement, costs and expenses (including reasonable attorneys' fees and expenses) incident to any of the foregoing.

(b) If a demand for indemnification arises out of a claim made against Buyer by a person not a party to this Agreement or affiliated with a party to this Agreement (a "Third Party Claim"), Buyer shall give prompt notice thereof to Seller, stating in reasonable detail the nature of the Third Party Claim, the identity of the Third Party Claimant and the specific representations, warranties or covenants which Buyer contends Seller has breached. Such notice shall also indicate whether Buyer intends to defend against the Third Party Claim. If Buyer shall defend against the Third Party Claim, Seller shall cooperate in all reasonable respects with Buyer in such defense, shall make available to Buyer all records and other materials reasonably required by Buyer in such defense, and shall have the right to participate in such defense. If Buyer does not intend to defend against the Third Party Claim, then Seller may assume defense of the Third Party Claim through legal counsel of its choice reasonably satisfactory to Buyer, in which event Buyer shall cooperate in all reasonable respects with Seller in such defense, and shall make available to Seller and its counsel all records and other materials reasonably required by them in such defense, but Seller shall at all times control such defense. If Seller reaches a settlement with the Third Party Claimant which results in any liability to Buyer, or if a judgment is rendered against Buyer which judgment is not properly appealed or appealable, then Buyer shall be entitled to indemnification in an amount sufficient to discharge the Third Party Claim.

(c) If Buyer asserts a demand for indemnification hereunder, but such demand is not based upon a Third Party Claim, Buyer shall notify Seller thereof, stating in reasonable detail the nature of Buyer's claim and the specific representations, warranties and covenants which Buyer contends Seller has breached. Seller shall have fifteen (15) days after the

effective date of such notice to accept or reject Buyer's demand for indemnification. If Seller accepts such demand for indemnification, it shall pay the amount of indemnification claimed by Buyer. If no acceptance is received by Buyer within such 15-day period, Seller shall be deemed to have rejected the demand. In the event Seller rejects Buyer's demand for indemnification or fails to accept such demand within such 15-day period, the parties shall immediately submit the controversy to arbitration in accordance with the provisions of Section 6.1(d). If the arbitrator(s) render an award in the arbitration proceeding in favor of Buyer, Buyer shall be entitled to indemnification to the extent provided in such award. If the arbitrator(s) render an award in favor of Seller, Seller shall have no further liability on Buyer's claim.

(d) If there is any disagreement between Buyer and Seller concerning the validity of any demand for indemnification asserted under Section 6.1, then such disagreement shall, as provided by Section 6.1(c) or otherwise on demand of either party, be referred to arbitration in Big Spring, Texas. Buyer and Seller shall attempt to agree on the appointment of a single arbitrator. If they are unable to agree, the American Arbitration Association shall select a neutral arbitrator. The determination in writing by the arbitrator shall be final and binding on the parties. Such determination shall be made as soon as practicable after the reference of the claim to arbitration. The arbitrator shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect, and shall have full power to make such regulations and to give such orders and directions in all respects as they shall deem expedient, as well as in respect to the claims and differences referred to them, and also with respect to the mode and times of executing and performing any of the acts or things which may be awarded or directed to be done.

(e) Seller's liability for all Claims under this Section 6 shall be subject to the following limitation: Seller shall have no liability for Claims until the aggregate amount of the Claims incurred exceeds Twenty Thousand Dollars (\$20,000.00) (the "Minimum Loss"); after the Minimum Loss is exceeded, Buyer shall be entitled to be paid the entire amount of the Claims, including the Minimum Loss, subject to the limitations on recovery and recourse set forth in this Section 6. Seller's liability for all Claims is capped at One Hundred Thousand Dollars (\$100,000.00).

6.2 Access and Information. Seller shall give Buyer and its representatives full but reasonable access during normal business hours throughout the period prior to Closing to the operations, properties, books, contracts, agreements, leases, commitments and records of the Stations; provided, however, that Buyer shall give Seller reasonable advance notice of exercising this right. Seller shall furnish to Buyer all information concerning the Stations' affairs as Buyer may reasonably request. Without limiting the foregoing, Seller shall give Buyer access on and after the Closing Date to each Station's FCC Registration Numbers and related passwords for Buyer's use for the purposes of updating the FCC's records on the Antenna Structure Registration.

6.3 Conduct of Stations' Business. Prior to Closing, without the written consent of Buyer, Seller shall not enter into any transaction other than those in the ordinary

course of the business of the Stations and shall operate the Stations in the normal and usual manner. Without limiting the foregoing, Seller shall:

(i) not enter into any employment contract relating to the Stations or increase the compensation paid to any employee of the Stations;

(ii) refrain from hiring, firing, releasing or transferring any employee of the Stations;

(iii) maintain in force the insurance;

(iv) not make any material reduction in the price or terms of advertising.

(v) refrain from making any removal, sale, lease, transfer or other disposition of any of the Assets;

(vi) refrain from modifying, amending, altering or terminating any of the Assigned Contracts or waiving any default or breach thereunder or modifying, altering or terminating, any other right relating to or included in the Assets;

(vii) maintain its books and records in accordance with prior practice; maintain the Assets in adequate condition, ordinary wear and tear excepted; maintain supplies of inventory and spare parts relating to the Stations consistent with past practices;

(viii) promptly notify Buyer upon Seller's becoming aware of the resignation or contemplated resignation of any supervisory employee of the Stations;

(ix) operate the Stations in accordance with the Licenses, or any FCC-issued Special Temporary Authorization, and comply with all laws, rules and regulations applicable to it, including the rules and regulations of the FCC;

(x) refrain from subjecting any of the Assets to any removal, new lien, claim, charge, or encumbrance (other than minor Liens, claims, charges or encumbrances which will not materially interfere with the occupation, use and enjoyment by Buyer of the Assets in the normal course of its business or impair the value of the Assets and which shall be discharged as of the Closing Date) or from increasing any existing lien, claim, charge or encumbrance;

(xi) refrain from doing or omitting to do any act which will cause a breach of, or default under, or termination of, any Assigned Contract;

(xii) take such action as may be reasonably necessary to obtain any required consents of third parties to the transactions contemplated herein;

(xiii) refrain from entering into any other contract or agreement not in effect on the date hereof and not listed on Schedule 1.3;

(xiv) provide to Buyer, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to the Station; and provide to Buyer, promptly upon receipt thereof by Seller, a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any License, or any other license or permit held by Seller respecting the Stations, and (ii) to the extent they may be available from the FCC, copies of all protests, complaints, challenges or other documents filed with the FCC by third parties concerning the Stations and, promptly upon the filing or making thereof, copies of Seller's responses to such filings; provide Buyer in writing immediately upon learning of the institution or written threat or action against the Seller involving the Stations or Assets before the FCC or any other governmental agency;

(xv) not permit any of the Licenses to expire or to be surrendered or voluntarily modified, or take any action (or fail to take any action) which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or limitation of rights under any License; or fail to prosecute with due diligence any pending applications to any governmental authority with respect to the Stations or any such Licenses, except for proceedings affecting the radio broadcasting industry generally; and

(xvi) pay or cause to be paid or provided for when due (except to the extent contested in good faith for which proper reserves shall have been established) all income, property, use, franchise, excise, social security, withholding, worker's compensation and unemployment insurance taxes and all other taxes of or relating to Seller, the Assets and the employees required to be paid to city, county, state, Federal and other governmental units up to the Closing Date; and

(xvii) in connection with the continued operation of the Stations, between the date of this Agreement and the Closing Date, Seller agrees that it shall confer in good faith on a regular and frequent basis with one or more designated representatives of Buyer with respect to matters affecting the operation of the Stations and the Assets; and

(xviii) between the date of the execution of this Agreement and the Closing Date, there will be no material change in the statement of facts or information contained herein, or of the information hereinbefore provided or that will be provided by Seller to Buyer.

6.4 Risk of Loss. Seller shall bear all risk of loss or damage by fire, theft, breakage, explosion, earthquake, accident, flood, rain, storm, riot, acts of God or public enemy, or other casualty or cause, reasonable wear and tear excepted, to any of the Assets to be assigned to Buyer hereunder occurring prior to the Closing. In the event any loss or damage occurs, the proceeds of any insurance policy covering such loss shall be used by Seller to repair, replace or restore any such loss prior to the Closing; provided, however, that, if the proceeds of such insurance are not sufficient to repair, replace or restore the loss, and Seller does not provide

additional funds for such purpose upon request by Buyer, Buyer if not then in default may terminate this Agreement. In the event such loss or damage prevents the broadcast transmission of the Stations in the normal and usual manner, Seller shall give prompt written notice thereof to Buyer. If Seller cannot restore the facilities so that transmission can be resumed in the normal and usual manner within thirty (30) days, Buyer, if not then in default, shall have the right after such thirty-day period to terminate this Agreement by giving written notice to Seller. In the event of any such termination pursuant to this Section 6.4 neither party shall have any further right or liability hereunder.

6.5 Other Proposals. Seller shall not, nor shall Seller permit any of its employees, agents, directors or officers to, solicit or entertain any inquiries or proposals or participate in any discussions, negotiations or agreements relating to the sale, merger or consolidation of Seller or the sale of all or substantially all of Assets prior to the Closing Date.

6.6 COBRA. Seller shall be responsible for satisfying any and all obligations under the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), to provide continuation coverage to or with respect to all employees and their beneficiaries (to whom COBRA is applicable) as a result of any "qualifying event" as defined in Section 4980B of the Code and Section 603 of ERISA occurring on or before the Closing Date. This covenant confers no rights or benefits on any party other than Buyer and may not be used by present or past Seller employees, their beneficiaries or any other third parties as the basis for claims against Seller.

Seller shall be responsible for (A) the payment of all wages and other remuneration due to employees with respect to their services as employees of Seller through the close of business on the Closing Date, including pro rata bonus payments and all vacation pay earned prior to Closing; (B) the payment of any termination or severance payments and the provision of health plan continuation coverage in accordance with the requirements of COBRA and Sections 601 through 608 of ERISA; and (C) any and all payments to employees required under the WARN Act.

Seller shall be liable for any claims made or incurred by its employees and their beneficiaries through the Closing Date under any employee plans. For purposes of the immediately preceding sentence, a charge will be deemed incurred when the services that are the subject of the charge are performed.

6.7 Non-Compete Agreement. Seller agrees that, as part of the consideration for the payment by Buyer of the purchase price, for a period of five years immediately following the Closing, neither Seller nor any of its affiliates will directly or indirectly own, operate, manage, perform, have any interest in or otherwise be engaged in a business which directly or indirectly competes with the Stations within a 100 mile radius of the geographic coordinates for Big Spring, Texas as listed in the National Atlas of the United States.

7 Buyer's Covenants.

7.1 Indemnification.

(a) From and after the Closing, Buyer shall be responsible for and hereby indemnifies Seller and holds it and its agents, successors and assigns harmless, with respect to demands for indemnification asserted by Seller, as provided by this Section 7.1, within one (1) year after the Closing Date from, against and in respect of:

(1) The operation of the Stations subsequent to the Closing, including, but not limited to any and all claims, liabilities and obligations arising or required to be performed under the Assigned Contracts assumed by Buyer;

(2) All losses, damages and deficiencies resulting from any failure or breach of any representation or warranty, or any breach or non-fulfillment of any covenant or agreement, of Buyer made in this Agreement; and

(3) All actions, suits, proceedings, claims, demands, assessments, judgments, fines, penalties, amounts paid in settlement, costs and expenses (including reasonable attorneys' fees and expenses) incident to any of the foregoing.

(b) If a demand for indemnification arises out of a claim made against Seller by a person not a party to this Agreement or affiliated with a party to this Agreement (a "Third Party Claim"), Seller shall give prompt notice thereof to Buyer, stating in reasonable detail the nature of the Third Party Claim and the specific representations, warranties or covenants which Seller contends Buyer has breached. Such notice shall also indicate whether Seller intends to defend against the Third Party Claim. If Seller shall defend against the Third Party Claim, Buyer shall cooperate in all reasonable respects with Seller in such defense, shall make available to Seller all records and other materials reasonably required by Seller in such defense, and shall have the right to participate in such defense. If Seller does not intend to defend against the Third Party Claim, then Buyer may assume defense of the Third Party Claim through legal counsel of its choice, reasonably satisfactory to Seller, in which event Seller shall cooperate in all reasonable respects with Buyer in such defense and shall make available to Buyer and its counsel all records and other materials reasonably required by them in such defense, but Buyer shall at all times control such defense. If Buyer reaches a settlement with the Third Party Claimant which results in any liability to Seller, or if a judgment is rendered against Seller which judgment is not properly appealed or appealable, then Seller shall be entitled to indemnification in an amount sufficient to discharge the Third Party Claim.

(c) If Seller asserts a demand for indemnification hereunder, but such demand is not based upon a Third Party Claim, Seller shall notify Buyer thereof, stating in reasonable detail the nature of Seller's claim and the specific representations, warranties and

covenants which Seller contends Buyer has breached. Buyer shall have fifteen (15) days after the effective date of such notice to accept or reject Seller's demand for indemnification. If Buyer accepts such demand for indemnification, it shall pay the amount of indemnification claimed by Seller. If no acceptance is received by Seller within such 15-day period, Buyer shall be deemed to have rejected the demand. In the event Buyer rejects Seller's demand for indemnification or fails to accept such demand within such 15-day period, the parties shall immediately submit the controversy to arbitration in accordance with the provisions of Section 7.1(d). If the arbitrator(s) render an award in the arbitration proceeding in favor of Seller, Seller shall be entitled to indemnification to the extent provided in such award. If the arbitrator(s) render an award in favor of Buyer, Buyer shall have no further liability on Seller's claim.

(d) If there is any disagreement between Seller and Buyer concerning the validity of any demand for indemnification asserted under Section 7.1, then such disagreement shall, as provided by Section 7.1(c) or otherwise on demand of either party, be referred to arbitration in Big Spring, Texas. Buyer and Seller shall attempt to agree on the appointment of a single arbitrator. If they are unable to agree, the American Arbitration Association shall select a neutral arbitrator. The determination in writing by the arbitrator shall be final and binding on the parties. Such determination shall be made as soon as practicable after the reference of the claim to arbitration. The arbitrator shall be governed by the Commercial Arbitration Rules of the American Arbitration Association then in effect, and shall have full power to make such regulations and to give such orders and directions in all respects as they shall deem expedient, as well as in respect to the claims and differences referred to them, and also with respect to the mode and times of executing and performing any of the acts or things which may be awarded or directed to be done.

(e) Buyer's liability for all Claims under this Section 7 shall be subject to the following limitation: Buyer shall have no liability for Claims until the aggregate amount of the Claims incurred exceeds Twenty Thousand Dollars (\$20,000.00) (the "Minimum Loss"); after the Minimum Loss is exceeded, Seller shall be entitled to be paid the entire amount of the Claims, including the Minimum Loss, subject to the limitations on recovery and recourse set forth in this Section 7. Buyer's liability for all Claims is capped at One Hundred Thousand Dollars (\$100,000.00).

8 Application for FCC Approval.

8.1 Filing and Prosecution of Application. Buyer and Seller shall, within five (5) business days from the date of this Agreement, join in an application (the "Assignment Application") to be filed with the FCC requesting its written consent to the assignment of the Licenses of the Stations from Seller to Buyer. Buyer and Seller shall proceed with due diligence and promptly take all steps necessary to the expeditious prosecution of the Assignment Application to a favorable conclusion, using their best efforts throughout.

8.2 Expenses. Each party shall bear its own expenses in connection with the preparation of the applicable sections of the FCC application and in connection with the

prosecution of such application. Seller and Buyer will divide and pay equally any filing fee or grant fee imposed by the FCC.

8.3 Designation for Hearing. If, for any reason, with respect to any application for assignment of the Licenses, the staff of the FCC advises that designation for hearing will be required, either party, if not then in default, shall have the right, by written notice within thirty (30) days of such notification, to terminate this Agreement, in which event neither party shall have any rights or liabilities hereunder.

8.4 Time of FCC Consent. If approval of the assignment of the Licenses has not been granted within nine (9) months from the date of filing the Assignment Application with the FCC, due to an act or inaction by the Seller, Buyer, if not then in default, may terminate this Agreement by giving written notice to the Seller. If approval of the assignment of the Licenses has not been granted within nine (9) months from the date of filing the Assignment Application for transfer with the FCC, due to an act or inaction by the Buyer, Seller, if not then in default, may terminate this Agreement by giving written notice to the Buyer.

8.5 Control of Stations. This Agreement shall not be consummated until the FCC has given its written consent to the assignment of the Licenses of the Stations to the Buyer. Up until the Closing Date, Buyer shall not, directly or indirectly, control, supervise, direct or attempt to control, supervise or direct the operation of the Stations, but such operation shall be the sole responsibility of Seller.

9 Conditions to Parties' Obligations.

9.1 Conditions to Buyer's Obligations. The obligations of Buyer to complete the transactions provided for herein shall be subject, at its election, to satisfaction on or before the Closing Date of each of the following conditions:

(a) Representations and warranties: all representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date (except as may be otherwise provided in this Agreement), and Buyer shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Seller;

(b) Pre-Closing obligations: Seller shall have performed all material obligations required to be performed by Seller hereunder, the performance of which has not been waived by Buyer, and Buyer shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Seller;

(c) Due authorization: Seller's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby shall have been duly and validly authorized by all necessary action on the part of Seller, including due authorization and approval thereof by its members, and Buyer shall have received a duly certified copy of all actions taken effecting the same;

(d) Seller's consents, etc.: all necessary notices, filings, consents, waivers and approvals shall have been given, made or obtained, as the case may be, by Seller, and Buyer shall have received a true copy of each thereof. In the case of the real estate leases for the Big Spring transmitter sites, the Landlords shall have consented to the assignment and assumption of the respective real estate leases without demands for either a payment as a quid pro quo for agreeing to the assignment and assumption of the same, and/or for an increase in rent not including any escalator clauses already part of the leases, or both;

(e) No bar: there shall not be in effect any judgment, decree or order of, or position taken by, any court or administrative body of competent jurisdiction, nor shall there have been any action, suit, proceeding or known investigation instituted or threatened, unless any such action for money damages is fully bonded by cash or surety bond, nor shall any law or regulation have been enacted or any action taken thereunder, which would, in Buyer's reasonable judgment, restrain or prohibit, make illegal, or subject Buyer to material damage as a result of, the consummation of the transactions contemplated hereby;

(f) FCC Licenses: The Licenses issued by the FCC (the "FCC Licenses") (i) shall have been assigned and transferred to Buyer, (ii) shall be valid and existing authorizations in every respect for the purpose of operating the Station, (iii) shall have been issued by the FCC under the Communications Act of 1934, as amended, for the full terms thereof, and (iv) shall contain no adverse modifications of the terms of the FCC Licenses as of the date of the Licenses and except for proceedings that affect the radio broadcasting industry generally, no proceeding for any revocation, suspension or modification shall be in effect, and neither Seller nor Buyer shall have received any notice that any governmental authority may institute any such proceedings.

(g) Further closing documents: Seller shall have delivered to Buyer the following documents and instruments in form reasonably satisfactory to counsel to Buyer:

(1) Certificate of the Secretary of State of Texas attesting to the good standing of the Seller in such jurisdiction as of a date reasonably proximate to the Closing Date;

(2) Bill of Sale to Buyer's reasonable satisfaction, transferring to Buyer title to the Tangible Assets, in substantially the form of Exhibit B hereto;

(3) An "Assignment of Federal Communications Commission Licenses, in substantially the form of Exhibit C hereto;

(4) An "Assignment and Assumption of Lease with Landlord's Consent", in substantially the form of Exhibit D hereto;

(5) A special or limited warranty deed, conveying to Buyer the Real Property; in substantially the form of Exhibit E hereto;

(6) An "Assignment and Assumption of Accounts Receivables", in substantially the form of Exhibit F hereto;

(7) Title Insurance Policy from a Title Insurance Company in a form reasonably acceptable to Buyer; and

(8) Such other documents as Buyer shall request, including but not limited to assignment and assumption of any other Assigned Contracts, Call Letters, Intangible Assets and Business Records.

(h) Prepaid credits: except as otherwise provided herein, all prepaid expenses or advertisements shall have been prorated between Buyer and Seller to the Closing Date, including but not limited to monies paid by Seller for insurance for coverage for the Assets extending beyond the Closing Date; and

(i) Possession: Seller shall have delivered to Buyer actual possession of the Assets.

9.2 **Conditions to Seller's Obligations.** The obligations of Seller to complete the transactions provided for herein shall be subject, at its election, to satisfaction on or before the Closing Date of each of the following conditions:

(a) Representations and warranties: all representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though made on and as of the Closing Date (except as may be otherwise provided in this Agreement), and Seller shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Buyer;

(b) Pre-Closing obligations: Buyer shall have performed all material obligations required to be performed by it hereunder, the performance of which has not been waived by Seller, and Seller shall have received a certificate to that effect, dated the Closing Date, signed by an officer of Buyer;

(c) Due authorization: Buyer's execution and delivery of this Agreement, its compliance with the provisions hereof and the consummation of all of the transactions contemplated hereby shall have been duly and validly authorized by all necessary action on the part of Buyer, and Seller shall have received a duly certified copy of all required consents effecting the same;

(d) No bar: there shall not be in effect any judgment, decree or order of, or position taken by, any court or administrative body of competent jurisdiction, nor shall there have been any action, suit, proceeding or known investigation instituted or threatened, unless any such action for money damages is fully bonded by cash or surety bond, nor shall any law or regulation have been enacted or any action taken thereunder, which would, in Seller's

reasonable judgment, restrain or prohibit, make illegal, or subject Seller to material damage as a result of, the consummation of the transactions contemplated hereby; and

(e) Further closing documents: Buyer shall have delivered to Seller the following documents and instruments:

(1) Certificate of the Secretary of the State of Texas attesting to the good standing of Buyer in such jurisdiction as of a date reasonably proximate to the Closing Date;

(2) Assignment and Assumption Agreements by which Buyer assumes the Licenses, Assigned Contracts, Call Letters, Intangible Assets and Business Records, and Accounts Receivables; and

(3) The Purchase Price.

9.3 **Mutual Conditions.** The obligations of Buyer and Seller to consummate this Agreement and the transactions contemplated hereby are subject to satisfaction at the time of the Closing of the condition that the FCC shall have issued the FCC consent and any condition to the effectiveness of such FCC consent and approval which is specified therein shall have been met.

10 **Closing.** Subject to the terms and conditions herein stated, the parties agree as follows:

10.1 **Closing Date.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur ten (10) days following the date on which the FCC shall have issued initial approval (the "Closing Date") and the closing conditions set forth in this Agreement have either been waived or satisfied. Such Closing shall take place by mail or overnight delivery service at 10:00 a.m. on the Closing Date, or such other place and time as mutually agreed.

10.2 **Failure to Close; Termination.** This Agreement may be terminated at any time prior to the Closing Date, as follows:

(a) by the mutual consent of Seller and Buyer;

(b) by Buyer, upon notice to Seller, if on the Closing Date, without any breach by Buyer of its obligations hereunder, Seller has not complied with one or more of the conditions set forth in Section 9.1 (and such compliance is not waived by Buyer) or if Seller shall have breached any of its representations, warranties or obligations hereunder (which breach shall not have been cured in all material respect or waived prior to the earlier of the Closing Date or within thirty (30) days after Buyer has given notice to Seller of such breach); or

(c) by Seller, upon notice to Buyer, if on the Closing Date, without any breach by Seller of its obligations hereunder, Buyer has not complied with one or more of the conditions set forth in Section 9.2 (and such compliance is not waived by Seller) or if Buyer shall have breached any of its representations, warranties or obligations hereunder (which breach shall not have been cured in all material respect or waived prior to the earlier of the Closing Date or within thirty (30) days after Seller has given notice to Buyer of such breach); or

(d) as provided by Sections 6.4, 8.3, or 8.4 of this Agreement.

In the event of any termination as provided by this Section 10.2, this Agreement shall thereupon become void and of no effect, provided, however, that nothing in this Section 10.2 shall be deemed to release any party from liability for any breach by such party of the terms and provisions of this Agreement or impair the right of the Buyer to compel specific performance of Seller of its obligations under this Agreement.

11 **Remedies.** Notwithstanding anything to the contrary herein contained, it is agreed that the rights and privileges granted to Buyer in this Agreement are special and unique and that the Buyer shall be entitled to seek injunctive and other equitable relief, including without limitation specific performance, in a court of competent jurisdiction, and if such relief is granted, the Buyer shall be entitled to recover from the Seller all costs and expenses (including reasonable attorneys' fees) incurred in securing such injunctive or other equitable relief. In lieu of seeking injunctive or equitable relief, Buyer may seek monetary damages but Buyer may not seek both injunctive or equitable relief and monetary damages. In the event of Buyer's breach of this Agreement, Seller shall be entitled to the Escrow Deposit as liquidated damages, said remedy to be Seller's sole and exclusive remedy.

12 **Further Covenants.**

12.1 **Taxes.** All taxes originating from this transaction shall be paid by the party responsible by law to pay such tax.

12.2 **Expenses of the Parties.** Except as otherwise expressly provided in this Agreement, all expenses involved in the preparation, negotiation, authorization and consummation of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel and accountants, shall be borne solely by the party who shall have incurred the same, and no other party shall have any responsibility with respect thereto.

12.3 **Confidentiality.** Except for necessary disclosure to such party's directors, officers, members, employees, counsel, accountants, lenders and other agents, and except for the disclosure contemplated by Section 8 and such disclosure as may be required by law (including applicable securities laws), each party shall keep the provisions of this Agreement confidential both prior and subsequent to the Closing Date. Notwithstanding anything herein to the contrary, each party to this Agreement agrees that each party (and each employee, representative, and other

agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to such party or such person relating to such tax treatment and tax structure, except to the extent necessary to comply with any applicable federal or state securities laws. This authorization is not intended to permit disclosure of any other information including (without limitation) (i) any portion of any materials to the extent not related to the tax treatment or tax structure of the transactions contemplated by this Agreement, (ii) the identities of participants or potential participants in the transactions contemplated by this Agreement, (iii) the existence or status of any negotiations, (iv) any pricing or financial information (except to the extent such pricing or financial information is related to the tax treatment or tax structure of the transactions contemplated by this Agreement), or (v) any other term or detail not relevant to the tax treatment or the tax structure of the transactions contemplated by this Agreement.

12.4 **Broker's Fee.** Except for Patrick Communications, LLC, each party has warranted that no brokers have employed in connection with this transaction; notwithstanding this, each party will be solely responsible for any and all brokerage fees asserted against it by a person or entity claiming entitlement to such fees as a result of this transaction.

12.5 **Further Assurances.** Each party shall cooperate with the other, take such further action, and execute and deliver such further documents, as may be reasonably requested by any other party in order to carry out the terms and purposes of this Agreement. Without limiting the generality of the foregoing, from and after the Closing Date:

(a) each party shall file all tax returns consistent with the allocation of the Purchase Price set forth in Section 2 of this Agreement and no party shall take any position on audit or in litigation which is inconsistent with such allocation if such position would result in the payment of any additional tax by, or the disallowance of any deduction or credit to, any other party; and

(b) upon request, each party shall take such action and deliver to the requesting party such further instruments of assignment, conveyance or transfer and other documents of further assurance as in the opinion of counsel to the requesting party may be reasonably desirable to assure, complete and evidence the full and effective transfer, conveyance and assignment of the Assets and possession thereof to Buyer, its successors and assigns, and the performance of this Agreement by Seller and Buyer in all respects.

12.6 **Accounts Receivable.** Seller shall deliver to Buyer at Closing a list of all receivables for advertising time broadcast on each of the Stations until the Closing Date (the "Accounts Receivables"). Seller shall assign the Accounts Receivables to Buyer at Closing in exchange for Buyer assuming responsibilities for the Repairs listed on Schedule 12.6 and the following consideration: (1) if the total value of the Accounts Receivables is Eighty-Five Thousand Dollars (\$85,000.00) or greater, Buyer shall purchase the Accounts Receivables at fifty percent of their total value; or (2) if the total value of the Accounts Receivables is less than Eighty-Five Thousand Dollars, (\$85,000.00), Buyer shall pay the Seller the total value of the

Accounts Receivables less Forty-Two Thousand and Five Hundred Dollars (\$42,500.00) . Title to the Accounts Receivables shall remain with Seller until the Closing Date and Seller shall retain any payments made on Accounts Receivables prior to the Closing Date. Any payments on Accounts Receivables after the Closing Date shall be the sole property of Buyer.

13 General Provisions.

13.1 **Survival of Representations, Warranties and Covenants.** The several representations, warranties and covenants of the parties herein contained, and the provisions hereof which by their terms are to be performed after the Closing Date, shall survive the Closing Date for the periods set forth herein, and shall be effective regardless of any investigation which may have been or may be made at the time by or on behalf of the party to whom such representations, warranties, covenants and agreements are made.

13.2 **Amendment and Waiver.** This Agreement may be amended only by a writing executed by each of the parties hereto. No waiver of compliance with any provision or condition hereof, and no consent provided for herein, shall be effective unless evidenced by an instrument in writing duly executed by the party sought to be charged therewith. No failure on the part of any party to exercise, and no delay in exercising, any of its rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any right preclude any other or future exercise thereof or the exercise of any other right.

13.3 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other, except to any corporation, partnership, or other business entity that controls, is controlled by, or is under common control with the assigning party; provided, however, that no such assignment shall relieve the assigning party of its obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

13.4 **Notices, Etc.** All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally (which shall include delivery by facsimile or by Federal Express or other recognized courier service that issues a receipt or other confirmation of delivery) to the party for whom such communications is intended, or three (3) business days after the date mailed by certified or registered U.S. mail, return receipt requested, postage prepaid, addressed as follows.

If to Seller:

Rhattigan Broadcasting (Texas), LP
1015 Lonsdale Court
Alpharetta, GA 30022
Attention: Guy Gill
(w) 770-837-9866
ggill01@comcast.net

with a copy (which shall not constitute notice) to:

David G. O'Neil, Esq.
Rini O'Neil, PC
1200 New Hampshire Avenue, NW
Suite 800
Washington, DC 20036
(w) 202-955-3931
(f) 202-296-2014
doneil@rinioneil.com

If to Buyer:

Kbest Media, LLC
1510 Gregg Street
Big Spring, TX 79720
Attn: Mike Abusaab
Office: (432) 714-4001
Fax: (432) 714-4002
mikeabusaab@hotmail.com
abusonic1@yahoo.com

with a copy (which shall not constitute notice) to:

Shonda Folsom, Esq.
Law Offices of R. Shane Seaton, PLLC
1301 South Gregg Street
Big Spring, Texas 79720
Office: (432) 264-1800
Fax: (432) 264-0785
shonda.folsom@yahoo.com

Any party may change its address for the purpose hereof by giving notice in accordance with the provisions of this Section 13.4.

13.5 **Binding Effect.** Subject to the provisions of Section 13.3, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement creates no rights of any nature in any person not a party hereto.

13.6 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to the choice of law rules utilized in that jurisdiction, and the obligations of the parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted and any legal action with respect hereto shall be brought in the state or federal court in Howard County, Texas.

13.7 **Effect of Agreement.** This Agreement sets forth the entire understanding of the parties, and supersedes any and all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof.

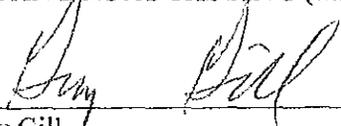
13.8 **Headings; Counterparts.** The Article and Section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intention of the parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.9 **Force Majeure.** Each party acknowledges and agrees that a party will not be liable for any failure to timely perform any of its obligations under this Agreement if such failure is due, in whole or in part, directly or indirectly, to accidents, fires, floods, governmental actions, war, civil disturbances, other causes beyond such party's control or any other occurrence which would generally be considered an event of force majeure.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first written above.

SELLER:

RHATTIGAN BROADCASTING (TEXAS), LP

By: 

Guy Gill
Chairman

BUYER:

KBEST MEDIA, LLC

By: 

Mike Abusaab
President

List of Schedules and Exhibits

Schedule 1.1	FCC Licenses
Schedule 1.2	Tangible Assets
Schedule 1.3	Assigned Contracts
Schedule 1.5	Intangible Assets
Schedule 1.6	Real Property
Schedule 2.3	Allocation of Purchase Price
Schedule 4.16	Liens
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Exhibit A	Escrow Agreement
Exhibit B	Form of Assignment of Tangible Assets
Exhibit C	Form of Assignment of FCC Licenses
Exhibit D	Form of Assignment and Assumption of Leases
Exhibit E	Special or Limited Warranty Deed
Exhibit F	Form of Assignment of Accounts Receivables