

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “**Agreement**”) is made as of July 10, 2002, by and between Sendero Multimedia, Inc., a Texas corporation (“**Seller**”), and Border Media Partners, LLC, a Texas limited liability company (“**Buyer**”).

WITNESSETH

WHEREAS, Seller is the licensee of radio broadcast stations KBDR(FM), Mirando City, Texas and KILM(FM), Raymondville, Texas (each individually a “**Station**” and together, the “**Stations**”) pursuant to certain licenses, permits, authorizations and approvals issued by the Federal Communications Commission (the “**FCC**”); and

WHEREAS, subject to the terms and conditions set forth herein, (i) Seller desires to assign to Buyer and Buyer desires to acquire from Seller, the FCC Authorizations (as hereinafter defined) and (ii) Seller desires to convey to Buyer, and Buyer desires to acquire from Seller, the businesses of the Stations and their related tangible and intangible assets and properties used principally in connection with the operation of the Stations; and

WHEREAS, the FCC Authorizations may not be assigned to Buyer without the prior written consent of the FCC;

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 I

SALE AND PURCHASE

Section 1.1 Station Assets. Subject to and in reliance upon the representations, warranties and agreements herein set forth, and subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined), all of Seller's rights, title and interest in and to the following assets, properties and rights used principally in connection with the business or operation of the Stations (collectively, the “**Station Assets**”):

(a) Licenses and Authorizations. All of the licenses, permits and other authorizations issued by the FCC to Seller for or in connection with the operation of the Stations (the “**FCC Authorizations**”), including without limitation those listed or described in **Schedule 1.1(a)** attached hereto, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto.

(b) Tangible Personal Property. All equipment, electrical devices, antennas, cables, vehicles, furniture, fixtures, improvements, office materials and supplies, office equipment, hardware, tools, spare parts, other tangible personal property of every kind and description, used

principally in the business or operations of the Stations, including without limitation: those items listed or described in **Schedule 1.1(b)**; to the extent not included in the Real Property hereinafter defined, towers, transmitter facilities, transmitter building furniture and inventory, antennas, main and backup transmitters and generators, STLs; and any additions and improvements between the date of this Agreement and the Closing Date (collectively, “**Tangible Personal Property**”).

(c) **Real Property.** All interests of Seller as of the date of this Agreement in all land, leaseholds, licenses, rights-of-way, easements and other interests of every kind and description in and to all of the real property and buildings, towers, transmitters, antennae, fixtures and improvements thereon, used principally in connection with the business or operation of the Stations, including without limitation those listed and described on **Schedule 1.1(c)** attached hereto, and any additions and improvements thereto between the date of this Agreement and the Closing Date (collectively, the “**Real Property**”).

(d) **Files and Records.** All FCC logs and other records that relate to the business or operation of the Stations, and all files and other records of Seller relating to the business or operation of the Station (other than duplicate copies of such files (“**Duplicate Records**”)) including, without limitation, engineering data, sales records and other sales and traffic information, and all other technical and financial information concerning the Station and the Station Assets.

(e) **Intentionally Omitted.**

(f) **Intangible Assets.** All of Seller's assignable rights in and to the intangible assets used principally in connection with the business or operation of the Stations, including without limitation those listed in **Schedule 1.1(f)** attached hereto and all other patents, service marks, copyrights, franchises, software, licenses (other than FCC Authorizations), trademarks, trade names, station names, call signs or letters, jingles, slogans, logotypes and other intellectual property owned, used, or held for use by Seller in connection with the business or operations of the Stations (including any and all common law rights, applications, registrations, extensions and renewals relating thereto) and all goodwill associated therewith (collectively, the “**Intangible Assets**”).

(g) **Prepaid Items.** All deposits, reserves and prepaid expenses relating to the Stations, prepaid taxes relating to the Stations or the Station Assets, advance payments to Seller by advertisers for advertising that would run after the Closing Date and other advance payments by third parties for services to be provided by or for the Stations after the Closing Date.

(h) **Station Agreements.** All leases, contracts and agreements listed or described in **Schedule 1.1(h)**, any other contracts and agreements pertaining to the Stations that Buyer specifically agrees in writing to assume in its sole discretion, and any additional contracts or agreements executed and delivered, if written, or entered into orally, if oral, by Seller between the date hereof and the Closing Date that Buyer specifically agrees in writing to assume in its sole discretion (collectively, the “**Assumed Contracts**”).

(i) **Third-Party Claims.** Except (a) for claims relating to taxes, (b) as otherwise provided in **Schedule 1.1(i)**, or (c) for reimbursement of payments already made by Seller, all rights and claims of Seller against third parties relating to the Station Assets.

(j) Other Assets. All other assets of Seller used principally in connection with the business or operation of the Stations, other than the Excluded Assets (as hereinafter defined).

Section 1.2 Excluded Assets. The following assets are expressly excluded from the Station's assets to be purchased and sold (collectively, the "**Excluded Assets**"):

- (a) Cash on hand as of the Closing Date other than the amounts described in Section 1.1(g);
- (b) Deposit accounts as of the Closing Date;
- (c) Accounts receivable of Seller accruing prior to the Closing Date;
- (d) Contracts, agreements and leases other than those specified in Section 1.1(h).
- (e) Any asset of Seller, real or personal, owned or leased, not used principally in connection with the business or operation of the Stations;
- (f) Seller's corporate books and records related to internal corporate matters and financial relationships with Seller's lenders;
- (g) Any pension or other employee benefit plans of Seller;
- (h) Claims of Seller that accrue under this Agreement; and
- (i) Any other assets specifically excluded from the Station Assets under this Agreement.

Section 1.3 Liabilities.

(a) The Station Assets shall be sold and conveyed to Buyer by instruments of conveyance in form reasonably satisfactory to Buyer and free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, and encumbrances of any kind or type whatsoever (collectively, "**Liens**") except: (i) Liens for real estate taxes not yet due and payable for which Buyer receives a Purchase Price adjustment under Section 1.7; (ii) the Liens identified in Schedule 1.3(a), which shall be subject to the provisions of Section 7.7; and (iii) the post-Closing obligations of Seller which Buyer will assume under the Assumed Contracts ((i) and (ii) collectively, the "**Permitted Encumbrances**").

(b) Unless specifically assumed by Buyer as of the Closing Date or on an earlier date pursuant to the Local Marketing Agreement between Buyer and Seller dated as of the same date as this Agreement (the "LMA"), Buyer will assume and agree to pay for, discharge and perform insofar as they relate to the time period on and after the Closing Date, and arise out of events occurring on or after the Closing Date, all the obligations and liabilities of Seller under the Assumed Contracts. Otherwise, Buyer shall not assume or be liable for, and does not undertake to

attempt to, assume or discharge: (i) any liability or obligation of Seller arising out of or relating to any contract, lease agreement, or instrument; (ii) any liability or obligation of Seller arising out of or relating to any employee benefit plan or otherwise relating to employment (all employment obligations shall be brought current by Seller as of the Closing Date, including the payment of all accrued benefits and severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date); (iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against either Station or any of the Station Assets relating to any event (whether act or omission) occurring prior to the Closing Date including, without limitation, the payment of all taxes.

(c) Buyer shall in no event assume any liability or obligation arising (i) from the assignment to Buyer of any contract, lease or agreement in violation of its terms or (ii) from any other breach or default by Seller upon or prior to Closing under any contract, lease or agreement.

(d) Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations and liabilities not expressly assumed by Buyer hereunder as they become due, without any charge or cost to Buyer, and Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article IX.

Section 1.4 Purchase Price.

(a) Purchase Price. The purchase price to be paid for the Station Assets will be an amount equal to the sum of **EIGHT MILLION DOLLARS (\$8,000,000.00)**, subject to any adjustments hereinafter described (the “Purchase Price”).

(b) Method of Payment. Upon Closing, the Purchase Price shall be paid by Buyer in immediately available funds. Seller shall provide Buyer wire transfer instructions not less than five days prior to the Closing Date.

(c) Allocation of Purchase Price. Buyer and Seller will allocate the Purchase Price in accordance with the respective fair market value of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). The allocation shall be determined by mutual agreement of the parties within ninety (90) days of the Closing Date. Buyer and Seller each further agrees to file its federal income tax returns and its other tax returns reflecting such allocation.

Section 1.5 Escrow Deposit. Buyer will fund an escrow deposit (the “Deposit”) with International Bank of Commerce (“Escrow Agent”) in accordance with the terms of an Escrow Agreement between the parties to be executed on the date hereof and attached as **Schedule 1.5** and to be funded by Buyer as set forth in the Escrow Agreement. The Deposit shall be paid to Seller on the Closing Date and shall be credited against the Purchase Price. Any interest accrued on the Deposit shall be paid to Buyer on the Closing Date. If Closing does not take place due to the

material breach of Seller and Buyer is not then in material breach, the Deposit and interest shall be paid to Buyer; if Closing does not take place due to the material breach of Buyer, and Seller is not then in material breach, Seller shall be entitled to liquidated damages of Four Hundred Thousand Dollars (\$400,000) in accordance with Section 10.4.

Section 1.6 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the “**Closing**”) shall take place: (i) at a date, time and location designated by Buyer that is after the date of the FCC Consent (as defined in Section 10.9), but no later than twenty (20) days after the FCC Consent becomes Final (as defined in Section 10.9); (ii) if the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles VI and VII has not occurred as of twenty (20) days after the FCC Consent becomes Final, the Agreement has not been terminated, and Buyer is otherwise prepared to close, then at a date, time and location designated by Buyer that is within twenty (20) days of the last such satisfaction or waiver; or (iii) at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the “**Closing Date.**”

Section 1.7 Proration of Expenses.

1.7.1 Unless otherwise provided for in the LMA, all pre-paid expenses and deposits, and all expenses for which liability has accrued but whose payment is not yet due as of the Closing Date, including but not limited to (i) such expenses in connection with the Station Agreements, (ii) rents and deposits, (iii) utility deposits and charges, including electricity, water and sewer charges, (iv) business and license fees, including any retroactive adjustments thereof, (v) property and equipment rentals, (vi) applicable copyright or other fees, (vii) sales and service charges, (viii) real and personal property taxes in connection with the Assets, (ix) operating expenses, and (x) similar prepaid and deferred items, and all revenues arising from the operation of the Station shall be pro-rated and adjusted between Buyer and Seller in accordance with the principle that except as otherwise provided in this Agreement or the LMA, Seller shall receive all revenues, and shall be responsible for all expenses, costs, and liabilities allocable to the conduct of the business or operations of the Station up to 11:59 p.m. on the day before the Closing Date. Any credit to Seller for a pre-paid expense shall not exceed an amount commensurate with the value to Buyer of the pre-paid expense. All prorations shall be made in accordance with generally accepted accounting principles. Notwithstanding the foregoing, there shall be no adjustment for, and Seller shall remain solely liable with respect to, any contract, obligation or liability other than the Assumed Contracts.

1.7.2 At the conclusion of ninety (90) days from and after the Closing Date, a final adjustment of the items to be pro-rated between Buyer and Seller pursuant to Section 1.7.1 shall be made. In the event of any disputes between the parties as to such prorations, the amounts not in dispute shall nonetheless be paid at the time provided herein and such disputes shall be determined 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.

Section 1.8 Personal Guarantee.

1.8.1 Seller shall on the Closing Date deliver to Buyer the personal guarantee of Alberto A. Munoz, II (the “**Guarantee**”), in the form of **Schedule 1.8.1**, in order to secure the indemnification obligations of Seller and any other obligations of Seller under this Agreement in an amount not to exceed Four Hundred Thousand Dollars (\$400,000).

1.8.2 Buyer will submit claims to Seller by a written notice specifying the amount of the claim (or estimated amount if the claim is not reasonably quantifiable) and describing in reasonable detail the basis for the claim. If Seller does not notify Buyer within 15 days after receiving such a notice of Seller’s objection to the claim, Seller shall at the end of such 15-day period deliver to Buyer (or Guarantor shall deliver upon Seller's failure to do so and Buyer's request that Guarantor so deliver) an amount equal to the claimed amount; provided, however, that under no circumstances shall Guarantor be obligated to pay more than Four Hundred Thousand Dollars (\$400,000) in the aggregate. If Seller gives notice of objection to Buyer within the 15-day period, and the Parties cannot reach agreement on the claim, Guarantor shall at the end of such 15-day period execute and deliver to Buyer an amount equal to the amount not in dispute, and the Parties will attempt in good faith to agree upon the amount in dispute. If the Parties cannot agree within thirty (30) days thereafter, the Parties will submit such dispute to arbitration. Within three business days of (i) reaching resolution of such dispute as to the amount (if any) that Buyer is entitled to (in the event that the parties reach resolution without submitting such dispute to arbitration), or (ii) an arbitrator determining the amount (if any) that Buyer is entitled to (in the event that such dispute is submitted to arbitration), Guarantor shall deliver to Buyer an amount equal to such applicable amount not to exceed Four Hundred Thousand Dollars (\$400,000). The failure to give notice of a claim hereunder will not constitute an election of remedies and will not limit Buyer in any manner in the enforcement of other remedies that may be available to it.

1.8.3 On the twelve month anniversary of the Closing Date, the personal guarantee shall terminate except with respect to claims still pending on the date of such termination. Upon the resolution of all such claims and distribution by Guarantor to Buyer of any funds pursuant to the resolution of the pending claim, the personal guarantee shall terminate.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows, such representations and warranties being accurate as of the date of this Agreement to the best of Seller's knowledge without a requirement of investigation undertaken to verify the accuracy of the representations and warranties as of the date of this Agreement. As of the Closing Date, such representations and warranties shall be made in accordance with Section 7.1 of this Agreement.

Section 2.1 Status. Seller is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (as first set forth above). Seller is duly qualified to do business and is in good standing in such states in which the failure to so qualify would have a material adverse effect on the business of the Stations. Seller has the requisite power to carry on the business of the Stations as it is now being conducted and to own and operate the

Stations, and Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement (the “**Subject Transactions**”).

Section 2.2 Authority. All actions necessary to be taken by or on the part of Seller in connection with the Subject Transactions have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 2.3 No Conflict. The execution, delivery and performance of this Agreement and the consummation of the Subject Transactions will not (a) conflict with or violate the organizational documents of Seller; (b) conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract to which Seller is a party or by which it is bound, or by which the Station or any of the Station Assets may be affected, or result in the creation of any Lien upon any of the Station Assets; or (c) violate any judgment, decree, order, statute, law, rule or regulation applicable to Seller, the Stations or any of the Station Assets.

Section 2.4 No Breach. Except as disclosed in **Schedule 2.4**, Seller is not in violation or breach of any of the terms, conditions or provisions of any contract, or any court order, judgment, arbitration award, or decree relating to or affecting the Stations or the Station Assets to which Seller is a party or by which it is bound.

Section 2.5 Liabilities. Seller has no liabilities or obligations relating to the Stations or the Station Assets of any kind or nature, whether known or unknown, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, except as set forth on **Schedule 2.5**.

Section 2.6 Taxes. Seller has filed all applicable federal, state, local and foreign tax returns required to be filed, in accordance with provisions of law pertaining thereto, and has paid all taxes, interest, penalties and assessments (including, without limitation, income, withholding, excise, unemployment, Social Security, occupation, transfer, franchise, property, sales and use taxes, import duties or charges, and all penalties and interest in respect thereof) required to have been paid with respect to or involving the Station or the Station Assets. Seller has not been advised that any of its returns, federal, state, local or foreign, have been or are being audited.

Section 2.7 Licenses. Seller is, and as of the Closing Date will be, the holder of the FCC Authorizations listed and described on **Schedule 1.1(a)**. Complete copies of the FCC Authorizations have been delivered to Buyer. Such FCC Authorizations constitute all of the licenses, authorizations and approvals required under the Communications Act of 1934, as amended (the “**Communications Act**”), or the rules, regulations and written decisions and policies of the FCC (collectively with the Communications Act, the “**FCC Rules**”) for and used in connection with the operation of the Stations. Other than the FCC Consent, no additional order or grant is required from the FCC in order to consummate the assignment of the FCC Authorizations to Buyer. The FCC Authorizations are validly issued and in full force and effect. The FCC Authorizations have not been revoked, suspended, canceled, rescinded or terminated and have not expired and Seller has no reason to believe that the FCC Authorizations will not be renewed in the ordinary course. The expiration dates for the FCC Authorizations are listed on **Schedule 1.1(a)**. There is not

pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify materially any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding or pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or the Stations. Seller shall notify Buyer in writing of any such action, order, notice or complaint and Seller will take all reasonable measures to contest in good faith or seek removal or rescission of any such action, order, notice or complaint. The Stations are operating at their licensed power levels and antenna heights and Seller and the Stations are in compliance with the FCC Authorizations and the FCC Rules, except as noted in **Schedule 1.1(a)**.

Section 2.8 Additional FCC Matters.

Except as noted in **Schedule 1.1(a)**:

(a) All material reports and filings required to be filed with the FCC by Seller with respect to the Stations have been timely filed. All such reports and filings are materially accurate and complete. Seller maintains public files and main studios for the Stations in compliance with FCC Rules. Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization.

(b) Seller is aware of no facts indicating that Seller is not in compliance with all requirements of the FCC Rules, the Federal Aviation Administration, and any other applicable federal, state or local ordinance.

(c) The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 300 kHz to 100 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Authorizations would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC Rules.

(d) Seller is qualified to assign the FCC Authorizations. Seller knows of no party that has expressed any intention to oppose FCC approval of the assignment of the FCC Authorizations and Seller knows of no reason why the FCC Consent might be delayed or denied.

Section 2.9 Station Assets. **Schedule 1.1(b)** contains a description of all items of Tangible Personal Property having an original cost in excess of \$1,000. Seller will as of the Closing Date have good, valid and marketable title to all of the Station Assets, free and clear of all Liens (other than Permitted Encumbrances). Each item of Tangible Personal Property including, without limitation, all equipment and electrical devices, is in normal operating condition and repair, is free from material defect and damage, is functioning in the manner and for the purposes for which it was intended, has been maintained in accordance with industry standards and FCC Rules, and does not require any repairs other than normal routine maintenance. Other than as disclosed in **Schedule 2.4**, there is no pending or threatened action, event, transaction or proceeding that could interfere with

the quiet enjoyment or operation of the Station Assets by Seller prior to the Closing Date or by Buyer on or after the Closing Date. The Station Assets include all the personal property and assets necessary to conduct the operation of the Stations as now conducted.

Section 2.10 Real Property. Except as disclosed in **Schedule 2.10** : (i) the Real Property (whether owned or leased) comprises all interests in real property necessary to conduct the business or operations of the Stations as now conducted; and (ii) Buyer will have on and after the Closing Date reasonable access to each of the transmitter sites for the Stations and a continuous means of ingress and egress thereto from public roads, subject to the terms of the relevant Leases.

(a) Seller has good and marketable fee simple title in and to the Real Property it owns, free and clear of all Liens (except the Permitted Encumbrances).

(b) A list and copy of each of the leases for all Real Property that Seller uses in connection with the business or operation of the Stations is attached hereto as **Schedule 2.10(b)** (the "**Leases**"). The copies of the Leases are complete and correct in all material respects. Seller holds a valid leasehold interest under each of the Leases, in each case free and clear of any Liens except Permitted Encumbrances. Each of the Leases is in full force and effect on the terms set forth therein and has not been modified, amended or altered, in writing or otherwise except as disclosed in **Schedule 2.10 (b)**. Seller is not in material default under or unless disclosed in **Schedule 2.10 (b)** in arrears in the payment of any sum or in the performance of any obligation required of it under any of the Leases, and no circumstance presently exists which, with notice or the passage of time, or both, would give rise to a default by Seller except as such as will not materially detract from the marketability or value of the Real Property and does not impair the operations of the lessee thereof in any material respect.

(c) Seller's improvements upon and the use of the Real Property conform in all material respects to all restrictions, restrictive covenants, building codes, fire regulations, building restrictions, and federal, state and local laws, regulations and ordinances. The Real Property is zoned for the various purposes for which it is currently being used by Seller and there are no outstanding variances or special use permits affecting the Real Property or the current uses thereof. Seller's improvements on the Real Property are in good working condition and repair. There is no pending, threatened or contemplated action to take by eminent domain or otherwise to condemn the Real Property. Seller has received no notice of any pending or threatened special assessment or reassessment of all or any portion of any of the Real Property. Seller has received no notice from any insurance company of any material defects or inadequacies in the Real Property or any part thereof, which would materially, adversely affect the insurability of the same or of any termination or threatened termination of any policy of insurance. Seller has not received and is not aware of any complaint against the Stations relating to their Real Property, including without limitation their towers, transmitters, antennas, transmitter buildings, or the signals broadcast or otherwise transmitted. Each tower has been appropriately registered with the FCC.

Section 2.11 Environmental Matters.

(a) As used herein, (i) the term “**Environmental Laws**” shall mean any and all state, federal, and local statutes, regulations and ordinances relating to the protection of human health and the environment, and (ii) the term “**Hazardous Material**” shall mean any hazardous or toxic substance, material, or waste including, without limitation, those substances, materials, pollutants, contaminants and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. Section 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto), petroleum products (as defined in Title I to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6991-6991(i)) and their derivatives, and such other substances, materials, pollutants, contaminants and wastes as become regulated or subject to cleanup authority under any Environmental Laws.

(b) Seller represents and warrants that:

(i) all activities of the Stations or of Seller with respect to the Stations and the real property have been and are being conducted in compliance with all federal, state and local statutes, ordinances, rules, regulations and orders, as well as all requirements of common law concerning those activities, repairs or construction of any improvements, manufacturing processing and/or handling of any materials, and discharges to the air, soil, surface water or groundwater;

(ii) Seller has no knowledge of the release or presence of any Hazardous Material on, in, from or onto the real property;

(iii) Seller has not generated, manufactured, refined, transported, stored, handled, disposed of or released any Hazardous Material on the real property, nor has Seller or the Stations permitted the foregoing;

(iv) Seller has not received any notice of any violation of any Environmental Laws;

(v) no action has been commenced or threatened regarding Seller’s compliance with any Environmental Laws;

(vi) no tanks used for the storage of any Hazardous Material above or below ground are present or were at any time present on or about the real property;

(vii) no action has been commenced or threatened regarding the presence of any Hazardous Material on or about the real property;

(viii) no Hazardous Materials are present in any medium in the operations of the Stations (or of Seller with respect to the Stations) and/or at the real property in such a manner as may require investigation or remediation under any applicable law;

(ix) no polychlorinated biphenyls or substances containing polychlorinated biphenyls are present on the real property; and

(x) no friable asbestos is present in the operations of the Stations and/or on the real property.

(c) Within thirty (30) days of execution of this Agreement, Buyer shall have the right to conduct a review or audit of the real property and take soil and water samples (including groundwater samples) from the real property, and to test and analyze those samples to determine the extent of any contamination of the soils and water (including groundwater) on or about the real property. If, based on the results of those inspections and/or tests, Buyer determines that the condition of any of the real property is unsatisfactory or if Buyer believes that its ownership of any of the real property would expose Buyer to undue risks of government intervention or third-party liability, Buyer may, without any liability owing to Seller, terminate this Agreement.

Section 2.12 Absence of Litigation. Except as set forth in **Schedule 2.12**, there is no investigation, claim, arbitration or litigation pending or threatened against, affecting or involving the Station Assets, the Stations, or the business or operation of the Stations, or the Subject Transactions, before or by any court, arbitrator or other governmental authority that could reasonably be expected to have a materially adverse effect on the business or operation of the Stations, and the Stations are not operating under or subject to an order, award, judgment, writ, decree, determination or injunction of any court, arbitrator or governmental authority.

Section 2.13 Intellectual Property. Seller has not received any notice to the effect that its use of the Intangible Assets infringes on any intellectual property right of another. Seller has the right pursuant to the FCC Rules to use the call letters used by the Stations.

Section 2.14 Contracts. Prior to the date hereof, Seller has provided Buyer with copies of the Assumed Contracts (and will promptly provide Buyer with copies of any additional agreements Seller enters into between the date hereof and the Closing Date). Each Assumed Contract is in full force and effect, and constitutes a legal, valid, and binding obligation of, and is legally enforceable against Seller. Except as disclosed in **Schedule 2.14**: (i) Seller has complied in all material aspects with the provisions of such Assumed Contracts and is not in material default thereunder and there has not occurred any event which (whether with or without notice or lapse of time) would constitute a material default thereunder by Seller; and (ii) there has not been any threatened cancellation of any Assumed Contract or any outstanding dispute thereunder.

Section 2.15 Employee Matters. Seller is in compliance with all applicable laws and regulations relating to employment at the Stations. There are no collective bargaining agreements, and no employment agreements between Seller and its employees or professional service contracts not terminable at will. The consummation of the Subject Transactions will not cause Buyer to incur or suffer any liability relating to, or obligation to pay, severance, termination, or other payments to Seller's employees or their heirs, assigns or beneficiaries arising out of the employees' employment by Seller, or any liability under any employee benefit plans for any period in which Seller's employees were employed by Seller. Otherwise, employee matters shall be handled in accordance with Section 10.3 of the LMA.

Section 2.16 Insurance. Seller maintains the insurance set forth in **Schedule 2.16** covering the Station Assets. All such policies are in full force and effect and Seller shall continue the present insurance at the present limits in full force and effect through the Closing Date.

Section 2.17 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets or Real Property is pending or threatened.

Section 2.18 Bulk Sales. Neither the sale and transfer of the Station Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after Closing because of such sale and transfer, will be subject to any law pertaining to bulk sales or transfers or imposing liability upon Buyer for appraisal or liability owing to Seller.

Section 2.19 Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the Subject Transactions as a result of any agreement of, or action taken by, Seller.

Section 2.20 Disclosure. No provision of this Agreement relating to Seller, the Stations or the Station Assets or any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the Subject Transactions, 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. Seller will disclose to Buyer any fact known to Seller which Seller knows or believes would affect Buyer's decision to proceed with the execution and/or consummation of this Agreement. Except for facts affecting the radio industry generally, there is no adverse fact now known to Seller relating to the Stations or the Station Assets which has not been disclosed to Buyer.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller:

Section 3.1 Status. Buyer is a Texas limited liability company which is duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has the requisite power to enter into and complete the Subject Transactions.

Section 3.2 No Conflicts. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the Subject Transactions will: (a) conflict with or violate the certificate of incorporation, bylaws or operating agreement of Buyer; or (b) violate any judgment, decree, order, statute, rule or regulation applicable to Buyer.

Section 3.3 Company Action. All company actions necessary to be taken by or on the part of Buyer in connection with the Subject Transactions have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

Section 3.4 Qualification. Buyer is qualified under the FCC Rules to acquire the Stations and to hold the FCC Authorizations. Buyer has the financial capacity to acquire the Stations.

ARTICLE IV

COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the completion of the Closing:

Section 4.1 Operation of the Business.

(a) Seller shall operate the Stations in accordance with the terms of the FCC Authorizations and in compliance in all material respects with all applicable laws, rules and regulations, including without limitation the FCC Rules. Seller shall maintain the FCC Authorizations in full force and effect and shall timely file and prosecute any necessary applications for renewal of the FCC Authorizations. Seller will deliver to Buyer, within ten (10) Business Days after filing, copies of any reports, applications or responses to the FCC related to the Stations.

(b) Seller shall not, by any act or omission, cause any of the representations and warranties set forth in Article II to become untrue or incorrect, shall satisfy or cause to be satisfied the conditions to Closing set forth in Article VII (other than Section 7.2(a) and Section 7.4), and shall ensure that the Subject Transactions shall be consummated as set forth herein.

(c) Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer, apply to the FCC for any construction permit that would restrict the present operations of the Stations, or make any change in any of the buildings, leasehold improvements or fixtures of the Stations, except in the Ordinary Course of Business.

(d) Except as modified by the LMA, Seller shall carry on the business and activities of the Stations in the Ordinary Course of Business, including without limitation; (i) paying or otherwise satisfying all obligations (cash and barter) with regard to the Station as they come due and payable in the Ordinary Course of Business; (ii) maintaining all Assets in customary repair, order and condition in the Ordinary Course of Business; (iii) maintaining books of account, records, and files in substantially the same manner as heretofore maintained in the Ordinary Course of Business; (iv) maintaining employment, staffing, and promotion levels in the Ordinary Course of Business; and (v) using commercially reasonable efforts to preserve in the Ordinary Course of Business good relations with third parties such as parties to the Assumed Contracts, lessors, advertisers, clients, service providers, owners of properties adjacent to the Stations' transmitter site, and municipalities. For the purposes of this Agreement, "**Ordinary**

Course of Business” shall mean, with respect to Seller, a course of business consistent with past practices of Seller for the twelve (12) months prior to the date hereof.

Section 4.2 Access to Facilities, Employees, Files and Records. At the request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer: (a) full access during normal business hours to all facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, contracts, records, engineering information, and files of every character, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable of Seller with respect to the Stations; (b) reasonable access to Seller's employees to permit the timely commencement of the LMA; and (c) all such other information concerning the affairs of the Stations as Buyer may reasonably request. In providing all such information, Seller shall be deemed to have represented and warranted the information to be correct, complete and fully responsive to Buyer's request therefor. Any investigation or examination by Buyer shall not in any way diminish, waive or obviate any representations or warranties of Seller made in this Agreement or in connection herewith. Seller shall cause its accountants and any agent of Seller in possession of Seller's books and records to cooperate with Buyer's requests for information pursuant to this Agreement.

Section 4.3 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Buyer or its business or properties to which Seller is exposed as a result of the negotiation, preparation or performance of this Agreement shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Seller's employees, attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys, on a need-to-know basis for the purpose of consummating the Subject Transactions.

Section 4.4 Encumbrances. Subject to Section 7.7, Seller shall satisfy all liabilities associated with, and obtain discharges of, all mortgages, security interests, liens and similar claims by third parties encumbering the Station Assets (other than Permitted Encumbrances) at or prior to the Closing Date.

Section 4.5 Insurance. Seller shall maintain in full force and effect all existing casualty, liability, and other insurance policies through the day following the Closing Date in amounts not less than those in effect on the date hereof. Seller will use the proceeds of any claims for loss payable under such insurance policies to repair, replace, or restore any of the Station Assets destroyed by fire and other casualties to their former condition as soon as possible after the loss.

Section 4.6 Notifications. Upon receiving or learning of any violation, order to show cause, notice of violation, notice of apparent liability, forfeiture, or written complaint relating to the Stations, the FCC Authorizations or the FCC Rules, or any material violations under any other applicable laws and regulations, Seller shall promptly notify Buyer and, at Seller's expense, use reasonable commercial efforts to cure all such violations prior to the Closing Date.

Section 4.7 Interruption in Broadcast Operations. Seller shall promptly notify Buyer in writing if either of the Stations ceases to broadcast at its authorized power for more than 12

consecutive hours. Such notice shall specify the reason or reasons for such cessation and the corrective measures taken or to be taken by Seller.

Section 4.8 Consents. Subject to Section 7.7, Seller shall: (i) obtain any third party consents that are required by the Leases marked by an asterisk in **Schedule 1.1(h)**; and (ii) use best efforts to obtain any third party consents that are required by the terms of the relevant agreements with the third party to assign to Buyer the material Station Assets.

Section 4.9 Updating. Seller shall at reasonable intervals following the date hereof use reasonable efforts to provide Buyer with documentation regarding any material changes to the Schedules hereto.

Section 4.10 Actions. Seller shall take all reasonable efforts to fulfill the conditions in Articles VI and VII, and to cause the Subject Transactions to be fully carried out.

Section 4.11 Application for FCC Consent. Seller will cooperate with Buyer to file the application with the FCC (the “**Application**”) requesting the FCC’s written consent to the assignment of the Stations’ FCC Authorizations to Buyer and for the consummation of the Subject Transactions. Seller will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Seller will promptly provide Buyer with copies of any pleading, order or other document served on it relating to the Application.

Section 4.12 Notice of Proceedings. Seller will promptly notify Buyer in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the Subject Transactions; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

Section 4.13 Negative Covenants. Pending and prior to the Closing, Seller will not, without the prior written consent of Buyer, which consent Buyer may grant or withhold in its sole discretion, do or agree to do any of the following, as such actions relate to the Stations or the Station Assets:

(a) Dispositions; Mergers. Sell, assign, lease or otherwise transfer or dispose of any of the Station Assets other than in the Ordinary Course of Business, or merge or consolidate with or into any other entity or enter into any contracts relating thereto.

(b) Encumbrances; Additional Agreements. Create or assume any Lien on any of the Station Assets, whether now owned or hereafter acquired, unless discharged or terminated and fully released prior to the Closing Date; acquire or enter into any additional agreements except in the Ordinary Course of Business; or renew, extend, amend, alter, modify, replace or otherwise change any Assumed Contract, except in the Ordinary Course of Business.

(c) Contract Terminations. Subsequent to the date of this Agreement, do or omit to do any act (or permit such action or omission) which will cause the termination of any material contract or lease, other than in the case of Seller purchasing or replacing a Station Asset with a comparable asset, to which Seller is a party or by which Seller is bound and will notify Buyer immediately of any threat by Seller or a third party to terminate any such material contract or lease.

(d) Actions Affecting FCC Licenses. Change the call signs of the Stations, modify the facilities of the Stations, take or fail to take any action that affects Seller's compliance with the FCC Rules or jeopardizes the validity or enforceability of or rights under the FCC Authorizations, or take or fail to take any action under any contract that would have a material adverse effect other than in the Ordinary Course of Business.

(e) Inconsistent Actions. Take any other action inconsistent with Seller's obligations under this Agreement or which could hinder or delay the consummation of the transaction contemplated by this Agreement.

ARTICLE V

COVENANTS OF BUYER

Buyer covenants and agrees that from the date hereof until the completion of the Closing:

Section 5.1 Application for FCC Consent. Buyer will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Buyer will promptly provide Seller with copies of any pleading, order or other document served on it relating to the Application. In the event that Closing occurs prior to a Final FCC Consent, then Buyer's obligations under this Section 5.1 shall survive the Closing.

Section 5.2 Consummation of Agreement. Buyer shall satisfy or cause to be satisfied the conditions to Closing set forth in Articles VI (other than Section 6.2(a) and Section 6.3), and shall ensure that the Subject Transactions shall be consummated as set forth herein.

Section 5.3 Notice of Proceedings. Buyer will promptly notify Seller in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the Subject Transactions; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

Section 5.4 Confidentiality. Except as may be necessary for Buyer to fulfill its obligations under the LMA, any and all information, disclosures, knowledge or facts regarding Seller, the Stations and their operation and properties derived from or resulting from Buyer's acts or conduct (including, without limitation, acts or conduct of Buyer's officers, employees, accountants, counsel, agents, consultants or representatives, or any of them) shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Buyer's attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the Subject Transactions.

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

Section 6.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have furnished Seller with a certificate, dated the Closing Date and duly executed by an officer of Buyer authorized on behalf of Buyer to give such a certificate, to the effect that the conditions set forth in Section 6.1(a) and Section 6.1(b) have been satisfied.

Section 6.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transactions.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Seller pursuant to this Section 6.2 prior to the Termination Date, but the Closing shall be delayed during such period. Seller shall take all reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

Section 6.3 Governmental Authorizations. The FCC shall have issued its initial approval of the Application and the Subject Transactions shall have been approved by all other governmental authorities whose approval is required.

Section 6.4 Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 8.2.

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

Section 7.1 Representations, Warranties and Covenants.

(a) Except as provided in Section 7.7, each of the representations and warranties of Seller contained in this Agreement or in any documents delivered pursuant hereto shall be true and correct in all material respects on and as of the Closing Date except to the extent changes are permitted or contemplated pursuant to this Agreement (it being understood that for purposes of this Section 7.1(a), the representations and warranties of Seller shall mean such representations of Seller after disregarding all knowledge qualifications of Seller) – excepting out environmental matters and excepting out litigation representations other than litigation affecting the FCC licenses, the tower leases, or the transmission equipment at the tower sites, and litigation threatening to enjoin or enjoining the transaction. Seller shall use best efforts to identify any litigation pending in Texas as of the Closing Date.

(b) Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Seller shall have furnished Buyer with a certificate, dated the Closing Date and duly executed by the President and Chief Executive Officer of Seller authorized on behalf of Seller to give such a certificate, to the effect that the conditions set forth in Section 7 have been satisfied.

Section 7.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transactions.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Buyer pursuant to this Section 7.2 prior to the Termination Date, but the Closing shall be delayed during such period. Buyer shall take all reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

Section 7.3 Consents.

(a) Subject to Section 7.7, Seller shall have obtained on or prior to the Closing Date all consents, estoppels, authorizations or approvals necessary or commercially reasonable to release Liens relating to, and effect valid assignments to Buyer of, the Station Assets, including without limitation the assignment of the Assumed Contracts, except for the FCC Consent, which shall be governed by Section 7.4.

(b) The execution and delivery of the each of the documents Seller is obligated to provide under this Agreement, the fulfillment of and the compliance with the respective terms and provisions of each, and the consummation of the transactions described in each, do not and will not (i) conflict with or violate any law, regulation, order, award, judgment, injunction or decree applicable to or affecting Seller, the Station Assets or the Stations, (ii) conflict with or result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any contract to which Seller is a party or by which Seller is bound or to which any of the Station Assets or the Stations is subject or affected (except with respect to consents of third parties referred to in Section 7.3(a)), or result in the creation of any Lien upon the Station Assets, or (iii) conflict with or violate any provision of Seller's articles of incorporation, except, in each case, as would not materially affect Buyer's ability to consummate Subject Transactions.

Section 7.4 Governmental Authorizations. The FCC shall have issued its initial approval of the Application (and, at Buyer's option, such FCC Consent shall have become Final), without any conditions materially adverse to Buyer, and the Subject Transactions shall have been approved by all other governmental authorities whose approval is required.

Section 7.5 Absence of Litigation. Except as disclosed in **Schedule 2.12** and except for litigation against Buyer or litigation to the extent that it is based on actions or inactions of Buyer, there shall be no investigation, claim, arbitration or litigation pending against, affecting or involving the Station Assets, the Stations, or the business or operation of the Stations, or the Subject Transactions, before or by any court, arbitrator or other governmental authority, and the Stations shall not be operating under or subject to an order, award, judgment, writ, decree, determination or injunction of any court, arbitrator or governmental authority. No insolvency proceedings of any character pending against, affecting or involving affecting Seller, the Station Assets, the Stations or the business or operation of the Stations, and Seller shall not have taken any action in contemplation of, or that would constitute the basis for, the institution of any such insolvency proceedings.

Section 7.6 Deliveries. Seller shall have complied with each and every one of its obligations set forth in Section 8.1.

Section 7.7 Liens and Permitted Encumbrances. The provisions of this Section 7.7 shall govern this Agreement, notwithstanding anything to the contrary in this Agreement.

(a) Seller shall have One Hundred and Twenty (120) days after the Closing Date to secure releases for any and all Liens or Permitted Encumbrances (identified in **Schedule 2.12**

with their related Station Assets), secure any and all consents pursuant to Section 7.3, and resolve any litigation pertaining to the Station Assets pending on the Closing Date (collectively, the "Releases"), so long as Buyer's lenders permit Buyer to close without such Releases having occurred prior to the Closing Date. Buyer shall use its best efforts to secure the approval of its lenders to close without Seller having secured such Releases prior to the Closing Date. In the event that Buyer's lenders do not permit Buyer to close without such Releases, Buyer shall not be obligated to close unless and until Seller secures such Releases prior to the Termination Date. For any closing that occurs prior to Seller's securing such Releases with or without the permission of Buyer's lenders, Buyer shall be permitted to reduce the Purchase Price by the cost of replacing any Station Asset affected by the lack of such Releases (the "Non-Released Asset") with a new asset replacing the comparable Non-Released Asset. Buyer shall establish a segregated bank account of Buyer that contains the amount of money by which the Purchase Price is reduced pursuant to this Section 7.7(a) and shall provide Seller with proof of the existence of such account and amount. If within One Hundred and Twenty (120) days of the Closing Date, Seller secures a Release with respect to any particular Non-Released Asset or provides Buyer with an asset comparable to the Non-Released Asset that is reasonably acceptable to Buyer, Buyer shall then reimburse Seller for the amount of the reduction in the Purchase Price attributable to that Non-Released Asset. If at the end of One Hundred and Twenty (120) days after the Closing Date Seller has failed to secure a Release with respect to any particular Non-Released Asset and failed to provide Buyer with an asset comparable to the Non-Released Asset that is reasonably acceptable to Buyer, or if Buyer is not entitled to use any Non-Released Asset after the Closing Date at any time prior to Seller securing a Release, Buyer shall have the option of (i) reimbursing Seller and retaining the related Non-Released Asset without such Releases; or (ii) acquiring replacement assets and returning the replaced Non-Released Asset to Seller without reimbursement of the reduction in Purchase Price. Seller shall provide Buyer a list of all Non-Released Assets to Buyer within five (5) business days after the FCC Consent and shall advise Buyer promptly if it receives a Release with respect to such listed Non-Released Asset prior to the Closing Date.

(b) With respect to the Leases for the tower sites for the Stations (including both towers with respect to the Towers of Texas lease), Buyer shall not be obligated to close until Seller secures commercially reasonable estoppel certificates from the Lessors prior to the Closing Date and Seller shall promptly and diligently seek such estoppel certificates to be executed as of the Closing Date. If on the Closing Date, Seller has secured an estoppel certificate for the tower site Lease for one Station and met all other closing conditions for that Station, but Seller has not secured the estoppel certificate for the other Station (and Seller is otherwise in a position to close with respect to that Station), Buyer shall buy the Station for which Seller has secured an estoppel certificate. In that event, the Purchase Price shall be Five Million Dollars (\$5,000,000) for Station KBDR(FM) or Three Million Dollars (\$3,000,000) for Station KILM(FM), and the parties agree to cooperate in good faith to modify this Agreement and all related agreements to reflect that closing with respect to one of the Stations has occurred and, except as modified in this Section 7.7(b), not change the relative positions of Seller and Buyer then in place with respect to the sale and purchase of the other Station. If Closing with respect to either Station or both Stations has not occurred due to Seller's failure to deliver the estoppel certificate(s), Seller shall: (i) have the opportunity to secure such estoppel certificate(s) within eighteen (18) months of the date on which closing would have occurred but for Seller's

failure to deliver the estoppel certificate(s); or (ii) provide Buyer with replacement tower site(s), including all necessary governmental approvals, lease terms no less favorable to Buyer than the replaced lease, and the ability to broadcast with facilities reasonably acceptable to Buyer providing 1mV/m (60 dBu) coverage contour(s) with (compared to the replaced facilities) no fewer persons within (A) the McAllen-Harlingen-Brownsville radio market as defined by Arbitron with respect to Station KILM or (B) the Laredo radio market as defined by Arbitron with respect to Station KBDR, and using the same census data in use, as of the date of this Agreement; and (iii) extend the LMA during the time it pursues such estoppel certificate(s) or site change(s) and relieve Buyer of any responsibility to pay Supplemental LMA Payments from that date forward. If at the end of such eighteen (18) month period Seller has not been able to deliver the estoppel certificate(s) or provided Buyer with replacement tower site(s) in accordance with the previous sentence, Buyer shall have the right to terminate this Agreement and the LMA.

ARTICLE VIII

ITEMS TO BE DELIVERED AT THE CLOSING

Section 8.1 Deliveries by Seller. At the Closing, Seller shall deliver (or cause to be delivered) to Buyer the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Buyer and its counsel and duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) bills of sale, certificates of title, endorsements, assignments, consents and other good and sufficient instruments of sale, conveyance, transfer and assignment sufficient to sell, convey, transfer and assign the FCC Authorizations, the Assumed Contracts, and the Station Assets to Buyer free and clear of any Liens (other than Permitted Encumbrances) and to quiet Buyer's title thereto;

(b) certified copies of the consents and/or resolutions of the shareholders, directors, and officers of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the Subject Transactions;

(c) the certificate referred to in Section 7.1(c);

(d) all consents and estoppel certificates required pursuant to this Agreement;

(e) opinion of Seller's corporate counsel in a form reasonably satisfactory to Seller's and Buyer's counsel; and an opinion of Seller's FCC counsel substantially in the form of **Schedule 8.1 (e)**;

(f) to the extent not previously transferred, the files, records and other information referenced in Section 1.1(d);

(g) payment to Buyer for the advance payments for services to be provided by the Stations after the Closing Date and proof of prepaid expenses made by Seller for services to be provided to the Stations after the Closing Date, in each case as referenced in Section 1.1(g);

(h) written instructions by Seller to terminate the Escrow Agreement and deliver the Escrow Deposit to Seller and the interest thereon to Buyer;

(i) such other documents to be delivered by Seller hereunder as are reasonably necessary for Buyer to effectuate and document the Subject Transactions;

(j) title free and clear to the vehicles identified in Schedule 8.1 (j) in exchange for a promissory note at closing from Buyer to Seller pursuant to the terms set forth in Schedule 8.1 (j); and

(k) the personal guarantee referenced in Section 1.8.1.

Section 8.2 Deliveries by Buyer. At Closing, Buyer shall deliver to Seller in a form reasonably agreeable to Seller and its counsel:

(a) the Purchase Price, which shall be paid in the manner specified in Section 1.4;

(b) an instrument or instruments of assumption of the Seller Contracts and real property leases to be assumed by Buyer pursuant to this Agreement;

(c) certified copies of resolutions, duly adopted by the members of Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by each Buyer of this Agreement and the consummation of the Subject Transactions;

(d) the certificate referred to in Section 6.1(c);

(e) such other documents to be delivered by Buyer hereunder as are reasonably necessary for Seller to effectuate and document the Subject Transactions;

(f) written instructions by Buyer to terminate the Escrow Agreement and deliver the Escrow Deposit to Seller and the interest thereon to Buyer;

(g) payment of all amounts owed as of the Closing Date pursuant to the LMA;
and

(h) the promissory note referenced in Section 8.1 (j).

ARTICLE IX

SURVIVAL; INDEMNIFICATION

Section 9.1 Survival. All representations, warranties, covenants and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing for a period of one (1) year, any investigation conducted by any party hereto and any information which any party may receive, provided that if a Claim (as hereinafter defined) or notice for indemnification with respect to any such representation, warranty, covenant, agreement, certificate, or other document or instrument, arises prior to the end of the survival period, such Claim or notice shall continue (and such representation, warranty, covenant, agreement, certificate, or other document or instrument shall survive) indefinitely until such Claim is finally resolved.

Section 9.2 Indemnification in General. Buyer and Seller agree that the rights to be indemnified and held harmless set forth in this Agreement, as between the parties hereto and their respective permitted successors and assigns, shall be exclusive of all rights (other than those specifically referenced in the Agreement) to be indemnified and held harmless that such party (or its permitted successors or assigns) would otherwise have by statute, common law or otherwise.

Section 9.3 Indemnification by Seller. Seller shall indemnify, defend, and hold harmless Buyer, any officer, director or member thereof, and their permitted assigns with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (including interest, penalties and reasonable attorneys' fees) of every kind and description (individually or collectively, a **“Claim”**) relating to or arising out of:

9.3.1 Any breach or non-performance by Seller of, or misrepresentation with respect to, any of Seller's representations, warranties, covenants or agreements set forth in this Agreement or any other related document it being understood that for purposes of this Section 9.3.1, that the representations and warranties of Seller shall mean such representations and warranties of Seller made on and as of the Closing Date after disregarding all knowledge qualifications of Seller; or

9.3.2 Except for operations of the Stations by Buyer pursuant to the LMA, the operations or business of Seller or the Stations prior to the Closing Date, to the extent such Claim relates to any period before the Closing Date, regardless of whether disclosed in any schedule or document and regardless of whether constituting a breach by Seller of any representation, warranty, covenant or agreement, and any other liability or obligation of Seller other than the post-Closing obligations assumed by Buyer pursuant to the Assumed Contracts; or

9.3.3 Any legal, administrative or tax proceedings pursuant to which Seller is or could be made liable for any taxes, penalties, interest or other charges and the liability of which is extended to Buyer, including without limitation noncompliance by Seller with the provisions of the Bulk Sales Act, if applicable, in connection with the transactions contemplated by this Agreement; or

9.3.4 Any and all damages occasioned by, arising out of or resulting from any claim by any person or entity that any agent, broker, investment or commercial banker, person or

firm acting on behalf of Seller that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

Section 9.4 Indemnification by Buyer. Buyer shall indemnify, defend, and hold harmless Seller, any officer or director thereof, and their permitted assigns, with respect to any Claim of any kind and description relating to or arising out of:

9.4.1 Any breach or non-performance by Buyer of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Document; or

9.4.2 The Assumed Obligations and any other liability, obligation or debt of Buyer or the Stations that arises or results from and is attributable to the operations or business of the Station on or after the Closing Date excluding, however, any liability or obligation of Seller specifically retained by Seller;

9.4.3 Any and all damages occasioned by, arising out of or resulting from any claim by any person or entity that any agent, broker, investment or commercial banker, person or firm acting on behalf of Buyer that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

Section 9.5 Indemnification Procedure. For purposes of administering the indemnification provisions set forth in this Section 9, the following procedure shall apply:

9.5.1 Whenever a Claim shall arise under this Article, the party entitled to indemnification (the "Indemnified Party") shall promptly and in no event later than ten (10) business days after becoming aware of such a Claim, give written notice to the party from whom indemnification is sought (the "Indemnifying Party") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such Claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, provided that the Indemnified Party's failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such Claim.

9.5.2 In the event of any Claim hereunder resulting from or in connection with any Claim brought by a third party, the Indemnifying Party shall be entitled, at its sole expense, either:

9.5.2.1 to participate therein, or

9.5.2.2 to assume the entire defense thereof with counsel who is selected by it and who is reasonably satisfactory to the Indemnified Party provided that:

(a) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such Claim, and

(b) no settlement shall be made without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages to be paid solely by the Indemnifying Party). If, however,

(1) the Claim would, if successful, result in the imposition of damages for which the Indemnifying Party would not be solely responsible hereunder, or

(2) representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential differing interests between them, then the Indemnifying Party shall not be entitled to assume the entire defense and each party shall be entitled to retain counsel (in the case of Clause (a) of this sentence, at their own expense) who shall cooperate with one another in defending against such Claim.

9.5.3 If the Indemnifying Party does not choose to defend against a Claim by a third party, the Indemnified Party may defend against such Claim in such manner as it deems appropriate or settle such Claim (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party, including without limitation reasonable attorneys' fees, in accordance with this Article.

9.5.4 The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any Claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to the Indemnified Party of a release from all liability with respect to such Claim. Neither Buyer nor Seller shall be deemed to have notice of any Claim by reason of any knowledge acquired on or prior to the Closing Date by an employee of the Station unless express evidence is available establishing actual notice to either party.

ARTICLE X

MISCELLANEOUS

Section 10.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned on a date (the "**Termination Date**") prior to the Closing Date, as follows:

(a) by mutual written agreement of Seller and Buyer; or

(b) by Buyer, provided Buyer is not in material breach of this Agreement if: (i) any of the conditions set forth in Article VII of this Agreement shall not have been fulfilled by the Closing Date; (ii) either Station is off the air for twenty (20) days for any reason other than as a result of either the failure of any T-1 telephone lines used in connection with the operation of the Stations or the actions or omissions of Buyer, its employees or agents), provided that Buyer has

made such payments as are provided for in Sections 2 and 9.1 of the LMA and cooperated and made such payments as are provided for in Section 7.2 of the LMA; (iii) the FCC institutes revocation of license proceedings against either of the Stations; or (iv) the FCC Authorizations are materially modified as a result of any action without the written consent of Buyer, which consent shall not be withheld unreasonably; or

(c) by Seller, provided Seller is not in material breach of this Agreement, if any of the conditions set forth in Article VI of this Agreement shall not have been fulfilled by the Closing Date; or

(d) by Buyer or Seller if Closing shall not have occurred within one year of the date of this Agreement (unless the Closing is delayed in accordance with Section 10.7); or

(e) by Buyer, if Buyer is not then in material breach of this Agreement and Seller is then in material breach of this Agreement, and such breach remains uncured within thirty (30) days after receipt of written notice thereof from Buyer; or

(f) by Seller, if Seller is not then in material breach of this Agreement and Buyer is then in material breach of this Agreement, and such breach remains uncured within thirty (30) days after receipt of written notice thereof from Seller; or

(g) by Seller, if Seller is not then in material breach of this Agreement, where Seller has terminated the LMA pursuant to Section 16.4 of the LMA.

Section 10.2 Buyer's Remedies.

(a) **Specific Performance.** The parties acknowledge that each Station is of a special, unique and extraordinary character, and that Buyer's ability to pursue damages alone would be an inadequate remedy for a breach of this Agreement. In the event that Seller is in a position to close because it has met all of its closing conditions or Buyer has waived those closing conditions Seller has not met, and Buyer is ready, willing and able to close but for Seller's refusal to close, at Buyer's election, in addition to any other remedy available to it, Buyer shall, provided Buyer is not in material breach of this Agreement, be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

In any action by Buyer to specifically enforce Seller's obligation to close the transactions contemplated by this Agreement, Seller shall waive the defense that there is an adequate remedy at law or in equity and agrees that the Buyer shall be entitled to obtain specific performance of the Seller's obligation to close without being required to prove actual damages. As a condition to seeking specific performance, Buyer shall not be required to tender the Purchase Price as contemplated by Section 1.4 but shall be required to

demonstrate that Buyer is ready, willing and able to tender the Purchase Price as contemplated by such Section 1.4 but for Seller's refusal to close.

In the event that Buyer is awarded specific performance, Buyer shall not be entitled to damages other than the cost to Buyer of Buyer's obtaining such specific performance.

In the event that Buyer is denied specific performance and Buyer is not deemed to be in material breach of this Agreement, Seller shall cooperate with Buyer in any effort by Buyer to seek specific performance on appeal and Buyer shall have the right to extend the LMA on the terms and conditions then in effect until the Stations are sold, without payment of any Supplemental LMA Payments. Should any such appeal(s) not succeed, Seller shall seek a new buyer for the Stations and Seller shall use its best efforts, and take all steps necessary, to complete a sale of the Stations to such new buyer. In the event of such sale: (i) Buyer shall receive directly from the new buyer the first One Million Dollars (\$1,000,000) of proceeds; (ii) Seller shall receive the next Eight Million Dollars (\$8,000,000) of proceeds; and (iii) Buyer shall receive directly from the new buyer all remaining proceeds. Buyer's receipt of such payments shall be deemed liquidated damages and constitute full payment to Buyer for any and all damages to Buyer pursuant to this Agreement. If such sale does not occur within sixteen (16) months of the exhaustion of such appeal(s) or the expiration for filing such appeal(s) without such appeal(s) having been filed: (i) Seller shall pay Buyer One Million Dollars (\$1,000,000); (ii) Buyer shall also receive directly from the new buyer all proceeds from any sale(s) of the Stations in excess of Nine Million Dollars (\$9,000,000) in the aggregate; and (iii) Seller shall receive directly from the new buyer the first Nine Million Dollars (\$9,000,000) of such proceeds. Buyer's receipt of the payments to Buyer specified in this subparagraph shall be deemed liquidated damages and constitute full payment to Buyer for any and all damages to Buyer pursuant to this Agreement.

(b) Liquidated Damages. Subject to the provisions of Section 10.2(a), if (i) Buyer terminates this Agreement in the event of a material breach of this Agreement by Seller (following the expiration of any relevant cure period) prior to Closing, and Seller shall not then have a right to terminate this Agreement pursuant to the terms hereof, or if (ii), as of the Closing Date, (A) Buyer shall have satisfied the conditions precedent to Closing by Seller set forth in Article VI, (B) Seller shall not then have a right to terminate this Agreement pursuant to the terms hereof, and (C) Seller is in material breach of this Agreement (following the expiration of any relevant cure period), then in either case Buyer shall be entitled, as Buyer's sole and exclusive remedy hereunder, to receive from Seller, and Seller hereby agrees to pay to Buyer as liquidated damages (it being understood and agreed that payment to Buyer of such liquidated damages will constitute full payment for any and all damages suffered by Buyer under this Agreement) the lesser of (i) Six Hundred Thousand Dollars (\$600,000) or (ii) Buyer's documented transactional costs associated with this Agreement, which Buyer and Seller agree that for purposes of this calculation will include up to Three Hundred and Twelve Thousand Five Hundred Dollars in personnel costs of Buyer. The liquidated damages set forth in this Section 10.2(b) shall be guaranteed pursuant to the personal guarantee set forth in Schedule 1.8.1.

Section 10.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the Subject Transactions including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, that: (i) Seller and Buyer shall each pay one-half of the FCC filing fees required to be paid in connection with the Application; (ii) Seller shall pay, and Buyer shall not have any liability or responsibility for, any sales or transfer taxes (including, without limitation, any real estate transfer taxes), arising from the transfer of the Station Assets to Buyer; and (iv) Seller and Buyer shall each pay one-half of any Hart-Scott-Rodino filing fees, if applicable.

Section 10.4 Liquidated Damages. If (a) Seller terminates this Agreement prior to Closing pursuant to Section 10.1 (f) or Section 10.1 (g), and Buyer shall not then have a right to terminate this Agreement pursuant to the terms hereof, or if (b), as of the Closing Date, (i) Seller shall have satisfied the conditions precedent to Closing by Buyer set forth in Article VII, (ii) Buyer shall not then have a right to terminate this Agreement pursuant to the terms hereof, and (iii) Buyer is in material breach of this Agreement or Buyer shall fail or refuse to consummate the purchase and sale contemplated by this Agreement, then in either case Seller shall be entitled, as Seller's sole and exclusive remedy hereunder, to receive from Buyer, and Buyer hereby agrees to pay to Seller Four Hundred Thousand Dollars (\$400,000) as liquidated damages, it being understood and agreed that payment to Seller of such liquidated damages will constitute full payment for any and all damages suffered by Seller under this Agreement. The liquidated damages set forth in this Section 10.4 shall be guaranteed pursuant to the personal guarantee set forth in Schedule 10.4.

Section 10.5 Further Assurances. From time to time prior to, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all Subject Transactions including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the Subject Transactions. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

Section 10.6 Public Announcements.

(a) Prior to the Closing Date, no party shall, without the approval of the other party hereto, make any press release or other public announcement concerning the Subject Transactions, except (i) to announce it has been entered into, and (ii) as and to the extent that such party shall be so obligated by law, in which case such party shall give advance notice to the other party and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the parties acknowledge that the FCC Rules require that public notice of the Subject Transactions be made after the Application has been filed with the FCC. The form and substance of such public notice, to the extent not dictated by the FCC Rules, shall be mutually agreed upon by Seller and Buyer.

Section 10.7 Risk of Loss. The risk of loss, damage or destruction to any of the Station Assets shall be borne by Seller at all times up to 12:01 a.m. on the Closing Date, and it shall be the responsibility of Seller to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction. In the event of any such loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Station Assets, Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the subject property is not completely repaired, replaced or restored on or before the scheduled Closing Date, Buyer, at its option, may: (a) elect to postpone Closing until such time as the property has been completely repaired, replaced or restored (and, if necessary, Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) elect to consummate the Closing and accept the subject property in its then-current condition, in which event Buyer shall receive as a credit against the Purchase Price an amount equal to the cost of completely repairing, replacing or restoring the Station Assets provided Seller consents to the cost of such repair, replacement or restoration, such consent not to be withheld unreasonably; or (c) terminate this Agreement.

Section 10.8 Rescission of Agreement. If the Closing occurs prior to a Final FCC Consent, and if prior to becoming Final the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Authorizations to Seller, then Seller and Buyer agree that the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price and reassume the Assumed Contracts assigned and assumed by Buyer at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) calendar days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Assumed Contracts assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission. Seller's and Buyer's obligations under this Section 10.8 shall survive the Closing.

Section 10.9 Application for FCC Consent. As soon as possible (but in no event later than fourteen (14) business days after the date of this Agreement), Seller and Buyer shall cooperate and join together in filing the Application. Seller shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider the Application. The FCC's written consent to the Application is referred to herein as the "**FCC Consent**." In the event that Closing occurs hereunder prior to the receipt of a Final FCC Consent, then Seller's obligations under this Section 10.9 shall survive the Closing. For purposes of this Agreement, the term "**Final**" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be

pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated. Upon written request of Buyer, Seller agrees to take all steps necessary, proper or desirable to obtain extension(s) of the Final FCC Consent; provided, however, that except as provided in Section 10.7, Seller shall not be obligated to request an extension of the Final FCC Consent to a date beyond the Termination Date.

Section 10.10 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any contract which is by law non-assignable without the consent of the other party or parties thereto, unless such consent shall be given.

Section 10.11 LMA. The parties acknowledge that concurrently herewith they are entering in the LMA, a copy of which is attached hereto as Schedule 10.11.

Section 10.12 Employee Control. All employees of the Stations shall be and remain Seller's employees, with Seller having full authority and control over their actions, and Buyer shall not assume the status of an employer or a joint employer of, or incur or be subject to any liability or obligations of an employer with respect to, any such employees. For purposes of this paragraph, employees of Buyer who perform work at the Station's facilities shall not be deemed employees of the Station or Seller.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer, and any such attempted assignment or delegation without such consent shall be void. Buyer may assign its rights and obligations hereunder in whole or in part without Seller's consent. In the event Buyer assigns its rights and obligations hereunder, Buyer shall remain liable for any obligations of the assignee hereunder up to a maximum of Four Hundred Thousand Dollars (\$400,000), which amount shall be guaranteed pursuant to the personal guarantee set forth in Schedule 10.4.

Section 11.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

Section 11.3 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) on the date of personal delivery to an officer of the other party, or (ii) if sent by facsimile machine to the facsimile number shown below, on the date of such confirmed facsimile transmission, provided a copy is also sent by commercial overnight delivery service, prepaid, to the address shown below (or to such changed facsimile number or address provided by notice in accordance with this Section 11.3):

If to Buyer: Thomas Castro
Border Media Partners, LLC
201 Main Street, Suite 2001
Fort Worth, Texas 76102
FAX: (817) 335-1197

With a copy to: Lawrence Roberts, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Ave., NW
Washington, D.C. 20005
FAX: (202) 371-7986

If to Seller: Alberto A. Munoz, II
Sendero Multimedia, Inc.
1 Paseo Del Prado, Bldg. 102
Edinburg, Texas 78539
FAX: (956) 686-8415

With a copy to: A. Wray Fitch, III, Esq.
Gammon & Grange
8280 Greensboro Drive
McLean, VA 22102
FAX: (703) 761-5023

Section 11.4 Captions; References. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement. References to an “**Article**” or “**Section**” when used without further attribution shall refer to the particular article or section of this Agreement.

Section 11.5 Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws.

Section 11.6 Arbitration. Any dispute, controversy or other matters arising out of, relating to or in connection with the provisions of this Agreement or the interpretation, breach or alleged breach hereof shall be settled and decided by arbitration conducted by the Judicial Arbitration and Mediation Service (“**JAMS**”), subject to the following:

11.6.1 Any arbitration as set forth above shall be held and conducted in Hidalgo County, Texas before one arbitrator who shall be selected by mutual agreement of the parties. If agreement is not reached on the selection of the arbitrator within 30 days after commencement of an arbitration by (i) submission of a matter to the JAMS in accordance with its Commercial Arbitration Rules and (ii) notice to the other party of the initiating party's intention to arbitrate, then such arbitrator shall be appointed by the presiding judge of the appropriate Hidalgo County, Texas Court.

11.6.2 The arbitrator appointed must be a former or retired judge, or an attorney with at least 15 years experience in the broadcast radio industry.

11.6.3 All proceedings involving the parties shall be reported by a certified shorthand court reporter and written transcripts of the proceedings shall be prepared and made available to the parties.

11.6.4 The prevailing party shall be awarded reasonable attorneys' fees, expert and non-expert witness costs and expenses, and other costs and expenses incurred in connection with the arbitration unless the arbitrator, for good cause, determines otherwise.

11.6.5 The dispute shall be heard in accordance with the rules and procedures of JAMS and the arbitrator's decision and award shall be final and binding.

11.6.6 Costs and fees of the arbitrator (including the cost of the record of transcripts of the arbitration) shall be borne by the non-prevailing party, unless the arbitrator for good cause determines otherwise. Costs and fees payable in advance shall be advanced equally by the parties, subject to ultimate payment by the non-prevailing party in accordance with the preceding sentence.

11.6.7 Any Party may initiate an arbitration proceeding under this Section 11.6 by written notice to the other Party of his or its intention to arbitrate, specifying the dispute or controversy to be arbitrated, the amount involved and the remedy sought, and by filing with the Dallas, Texas office of the JAMS a copy of said notice together with a copy of this Agreement and the fee specified in the JAMS fee schedule. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations.

11.6.8 This agreement to arbitrate shall be specifically enforceable under applicable law in any court of competent jurisdiction. The award rendered by the arbitrator shall be final and judgment may be entered in accordance with applicable law and in any court having jurisdiction thereof.

11.6.9 Notwithstanding anything contained in this Agreement elsewhere to the contrary, and unless modified by the arbitrator upon a showing of good cause, the arbitration shall proceed upon the following schedule: (i) within 30 days from the

service of the notice of the request to arbitrate, the parties shall select the arbitrator; (ii) within 30 days after selection of the arbitrator, the parties shall conduct a pre-arbitration conference at which a schedule of pre-arbitration discovery shall be set, all pre-arbitration motions scheduled and any other necessary pre-arbitration matters decided; (iii) all discovery shall be completed within four months following the pre-arbitration conference; (iv) all pre-arbitration motions shall be filed and briefed so that they may be heard no later than one month following the discovery cut-off; (v) the arbitration shall be scheduled to commence no later than 30 days after the decision on all pre-arbitration motions but in any event no later than six months following the service of the notice of arbitration; and (vi) the arbitrator shall render his written decision within 30 days following the submission of the matter.

11.6.10 Any monetary award of the arbitrator may include interest at the highest prime rate, as published in the Wall Street Journal, plus two percent, which interest shall accrue from the date the claim, dispute or other matter in question was rightfully due and payable under this agreement until the date the award is paid to the prevailing party.

11.6.11 No provision of this Section 11.6 shall limit the right of any Party to this Agreement to exercise self-help remedies or to obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration or other proceeding. The exercise of such remedy does not waive the right of any party to resort to arbitration.

Section 11.7 Entire Agreement. This Agreement, together with all Exhibits and Schedules attached hereto, and the LMA constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

Section 11.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Section 11.9 Interpretation. Should any provision of this Agreement require interpretation by an arbitrator, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agent prepared the same, it being agreed that the agents of each party have participated in the preparation hereof.

[SIGNATURE PAGE FOLLOWS]

