

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this 24 day of January, 2007, by and between Broadcast Entertainment Corporation, a Texas Corporation ("Seller") and Tallgrass Broadcasting, LLC, an Illinois Limited Liability Corporation ("Buyer").

WITNESSETH

WHEREAS, Seller is the owner, operator, and licensee of FM radio stations KICA-FM, Farwell, Texas, KKYC, Clovis, New Mexico, and KMUL-FM, Muleshoe, Texas as well as AM stations KICA, Clovis, New Mexico, and KMUL, Farwell, Texas (the "Stations"), under authority of licenses (the "Licenses") issued by the Federal Communication Commission (the "FCC" or the "Commission"), and also holds a FCC-issued construction permit for AM station KICA (BP-20040109AAW) which expires on June 7, 2008 (the "Construction Permit"); and

WHEREAS, Seller desires to sell and Buyer desires to buy the real and personal property, assets and rights belonging to or used and useful in the business and operation of the Stations pursuant to the terms and conditions stated herein; and

WHEREAS, such sale and purchase, as contemplated by this Agreement, is subject to and conditioned upon the consent of the FCC to the terms and conditions stated herein and the assignment of the Licenses;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements stated herein, the parties hereto agree as follows:

1. **Assets Sold and Purchased.** On the date of the closing of this Agreement, as provided for in Section 5 below (the "Closing Date"), Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase, subject to the terms and conditions set forth herein, all assets, real, personal, tangible and intangible, good will, contract rights and licenses of Seller used and/or useful in the operation of the Stations, as same exist on the date of Closing including, without limitation, the following assets and properties (collectively the "Assets"):

1.1 **Licenses/Construction Permit.** The Licenses and all other FCC licenses or authorizations, including the broadcast auxiliary licenses WHB808, WLO385, WLO386 and WPZA382, the Construction Permit, all outstanding FCC tower registrations and all other authorizations or pending applications for the operation of the Stations as set forth in **Exhibit 1.1** hereto, and any and all other licenses, rights, permits and authorizations issued to Seller by any other governmental or regulatory agency which are used or useful in connection with the operation of the Stations.

1.2 **Personal Property.** All the fixed and tangible personal assets used or useful in the operation of the Stations (except for those assets described in Section 2 hereof) including, but not limited to, the assets listed and described in **Exhibit 1.2** hereto, together with replacements thereof and improvements and additions made between the date hereof and the Closing Date (collectively the "Personal Property"), all free and clear of all liens, claims, security instruments and encumbrances of any kind whatsoever, except for those permitted encumbrances expressly assumed herein by Buyer as described in **Exhibit 1.2.1** hereto.

1.3 **Contracts.**

(a) The contracts and agreements listed and described in **Exhibit 1.3** attached hereto which are to be in effect on the Closing Date, except those which may have been unilaterally canceled by a party other than Seller; provided that legal rights, if any, accruing to Seller by virtue of any such unilateral cancellation by a party other than Seller, shall be assigned by Seller to Buyer on the Closing Date. To the extent that the assignment of any contract listed in **Exhibit 1.3** may require the consent of a third party, Seller will use its best efforts to secure such consent. In the event that Seller is unable to secure such consent, Buyer will not be required to assume performance pursuant to such contract or agreement. The contracts listed in **Exhibit 1.3** shall include contracts, whether written or oral, for the sale of broadcast time on the Stations in effect as of the Closing Date; provided however, that Buyer will only assume contracts for the sale of broadcast time for which payment is due in whole or in part in service or merchandise ("Trade Deals") entered into prior to the Closing of this Agreement whose term extends beyond the Closing Date, to the extent that the collective value of such Trade Deals for all of the Stations does not exceed TWENTY FIVE THOUSAND DOLLARS (\$25,000.00). In the event the collective value of the Trade Deals at Closing is greater than the \$25,000.00 cap specified herein, Buyer shall have the right to select from among the Trade Deals those which it will above the \$25,000.00 cap. Any Trade Deals exceeding the cap and not assumed by Buyer shall either be discharged by Seller prior to Closing or, to the extent not discharged, the value thereof will be subtracted from the Purchase Price at Closing.

1.4 **Call Letters and Promotional Assets.** All right, title and interest in and to the use of the call letters KICA-FM, KKYC, KMUL-FM, KICA, and KMUL. In addition, all of Seller's rights to any slogans, jingles, trade marks, trade names, service marks, logos, copyrights or similar materials or rights used or useful in the operation of the Stations.

1.5 **Books and Records.** All books and records used in connection with the operation of the Stations through the Closing Date, including, but not limited to, all program, operating and maintenance logs maintained in connection with the Stations, whether or not required by the FCC; engineering or consultant reports, data or analyses pertaining to the Stations; the Stations' Public Files; copies of any accounts receivable and accounts payable ledgers which are kept by or for Seller in connection with the business of the Stations from 2005 through the Closing Date; copies of any other

bookkeeping or accounting data in the possession of Seller relating to the business of the Stations from 2005 through the Closing Date. Seller shall be entitled to retain the original or copies of all bookkeeping accounts, including ledgers, account cards and all written information on accounts receivable and accounts payable.

1.7 **Real Property.** The Real Property described in **Exhibit 1.7** on which the Stations' main studios and transmitter sites ("Transmitter Sites") are located, together with all of Seller's interest in any buildings, improvements, fixtures, servitudes, rights of way, and other rights or interest located on or relating to such property (the "Real Property"). Fixtures shall include the following towers used or useful in the operation of the Stations (the "Towers"):

- (a) Reg. 1247427: a 74.1 m (236') AAT guyed tower located in Ranchvale, NM NW of ISCN Curry Co Rd U and Curry Co Rd 16 20 km NW of Clovis, NM, with coordinates 34° 29' 42.2 N, 103° 23' 40.9" W, 74.1m.
- (b) A 60.55m (199') Stainless G 800 guyed tower located at 1000 Sycamore Street, Clovis, NM with a 6 Foot Face at with coordinates 34-24-31N, 13-11-15 W.
- (c) A 60.55m (199') Rhon guyed tower with a one (1) foot face located west of Lariat, Texas at coordinates 34-20-55N, 102-57-18W.
- (d) A 38m (125') guyed steel tower with a six inch face located at 600 West 8th Street, Muleshoe, Texas, at coordinates 34-13-39N, 102-44-10W.
- (e) Any and all free-standing STL towers that are below 200'.

1.8 **Intangible Assets.** The goodwill and all other intangible assets used or useful in the operation of the Stations (the "Intangible Assets").

2. **Excluded Assets/Assignment of Accounts Receivable.** The assets listed in **Exhibit 2.0**, including the Seller's corporate records, the Seller's cash and cash equivalents and the Seller's accounts receivable generated prior to the Closing Date (the "Excluded Assets"). At the Closing, Seller's accounts receivable (the "Accounts Receivable") shall be assigned to Buyer for collection. Buyer shall collect the Accounts Receivable, for the account of Seller, for a period of Three Hundred Sixty Five (365) days after the Closing Date (the "Collection Period"). Buyer's obligation to collect the Accounts Receivable shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Accounts Receivable are in Buyer's possession, neither Seller nor its agent shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. On the tenth (10th) day of each month during the Collection

Period, Buyer shall remit to Seller any amounts collected. At the end of the Collection Period, Buyer shall turn over to Seller all of Seller's books and records relating to the Accounts Receivable. All payments received from an account debtor of both Buyer and Seller shall be applied first to the accounts receivable due from that account debtor to Seller. If during the Collection Period any account debtor contests the validity of its obligation with respect to any Account Receivable of Seller, then Buyer may return that Account Receivable to Seller, after which Seller shall be solely responsible for the collection thereof.

3. **Purchase Price.** The total purchase price for all of the assets sold and purchased, as described in Section 1 above, shall be ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000.00) (the "Purchase Price"), as same may be adjusted in accordance with this Agreement, which shall be paid by Buyer to Seller by certified or cashiers check, or by electronic funds transfer, on the Closing Date.

3.1 **Assumed Liabilities.** The Buyer at the Closing shall assume only liabilities accruing after the Closing Date under the Contracts listed in **Exhibit 1.3**.

3.2 **Excluded Liabilities.** Buyer does not assume and shall not be obligated to pay, perform, or discharge any of Seller's obligations, liabilities, agreements, or commitments not specifically assumed by Buyer, and the indemnification obligations set forth in Section 8 hereof shall apply in the event of any loss, liability, damage or expense (including reasonable attorney's fees) incurred by Buyer arising out of Seller's failure to pay, perform or discharge any of Seller's obligations, liabilities, agreements or commitments not specifically assumed by Buyer (the "Excluded Liabilities"). Without limiting the generality of the foregoing, the Excluded Liabilities shall include, and Buyer shall not assume or be liable for:

3.2.1 any liability, claim or obligation, contingent or otherwise, of or against Buyer arising out of the business or operation of the Stations or the Stations' Assets prior to the Closing Date;

3.2.2 any liability or obligation under any contracts not specifically assumed by Buyer under the terms of this Agreement or relating to a breach prior to the Closing Date under any such contracts;

3.2.3 any liability or obligation for any federal, state, or local income or other taxes or fees;

3.2.4 any liability or obligation with respect to the Excluded Assets;

3.2.5 any liability or obligation to any employee or former employee of Seller or Stations attributable to any period of time on or through the Closing Date (including accrued vacation and holiday pay and allowances);

3.3 **Allocation of Purchase Price.** The Purchase Price shall be allocated among the Assets as set forth in **Exhibit 3.3** for purposes of Section 1060 of the Internal Revenue Code of 1986, as amended, and Temporary Treasury Regulation Section 1.1060-1T. Buyer and Seller agree to file with their respective federal income tax returns an initial asset acquisition statement and any supplemental statement on Internal Revenue Service Form 8594 required by Temporary Treasury Regulation Section 1.1060-1T, all in accordance with and accurately reflecting the agreed upon allocation of Purchase Price as described above.

4. **Escrow Deposit.** Upon execution and delivery of this Agreement, or within Ten Calendar (10) Days of execution of this Agreement, Buyer shall deposit the amount of SIXTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500.00) (the "Escrow Deposit") with Media Services Group, Inc. ("Escrow Agent") pursuant to the terms of a written escrow agreement in the form attached hereto as **Exhibit 4.0** (the "Escrow Agreement"). The Escrow Agreement shall be signed by Seller, Buyer, and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Seller and Buyer shall join in causing the Escrow Deposit, and, at Buyer's option, all accrued interest, to be applied to the Purchase Price and remitted to Seller. Otherwise, interest accrued on the Escrow Deposit shall be returned to Buyer.

5. **Closing of the Agreement.** The closing of this Agreement (the "Closing") shall take place at a mutually agreed upon location, or by the exchange of signed documents via facsimile, email or overnight courier, within Ten (10) Business Days after the FCC has Granted the approval of the transfer and assignment of the Licenses to Buyer, as provided in Section 13 below, (the "Closing Date"). The Closing will occur before the Final Order by the FCC has been issued, wherein the Final Order requires a period of Forty (40) Days after the Date of the Grant, and wherein the Buyer and Seller agree to enter into an **Un-Wind Agreement**, to cover the Forty (40) Days between the issuance of the Grant and the issuance of the Final Order, or if no Final Order is issued. The word "Final Order" shall mean the date on which the time for rehearing, reconsideration, review or appeal by the Commission or any court under the provisions of the Communications Act of 1934, as amended, or the regulations issued by the Commission thereunder, shall have expired without any request for rehearing, reconsideration, review or appeal pending.

6. **Seller's Representations, Warranties and Covenants.** Seller makes the following representations, warranties, and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Buyer to join in and execute this Agreement, and in reliance on which Buyer has entered into this Agreement:

6.1 **Organization.** Seller is now and will be on the Closing Date, a corporation duly organized, existing and in good standing under the laws of the State of Texas and New Mexico. The execution, delivery and consummation of this Agreement by the President of Seller and the transactions contemplated herein have been duly authorized by Seller's President and Board of Directors and no further authorization,

approval or consent is required. The execution, delivery and consummation of this Agreement will not conflict with any provision of the By-Laws or Articles of Incorporation of Seller.

6.2 **Licenses and Authorizations.** Seller holds the FCC Licenses, the Construction Permit and all other permits and authorizations necessary for or used in connection with the operation of the Stations, and the FCC License and all such permits and authorizations are in full force and effect. Except for proceedings of general applicability or specific applicability to this market or as indicated on **Exhibit 6.2**, to the best of Seller's knowledge, after due investigation, no application, action or proceeding is pending for the modification of any of the FCC Licenses, Construction Permit or any of such permits or authorizations, and no application, action or proceeding is pending or threatened that may result in the revocation, modification, non-renewal or suspension of any of the FCC Licenses, Construction Permit or any such permits or authorizations, the issuance of a cease-and-desist order, or the imposition of any administrative or judicial sanction. All applications, reports and other disclosures required by the FCC with respect to the Stations have been, or will be at the Closing, duly filed. Seller has and continues to operate the Stations in compliance with the FCC Licenses and rules.

6.3 **Personal Property.**

(a) On the Closing Date, Seller will convey good and marketable title to all the Personal Property, free and clear of all liens, pledges and encumbrances whatsoever. The assets listed on **Exhibit 1.2**, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, will, at Closing, constitute all the tangible personal property owned by Seller in "as is" condition, which is used or useful in the operation of the Stations and necessary to operate the Stations in accordance with the Stations' Licenses. All such properties, equipment and assets to be sold hereunder are transferable by Seller by its sole act and deed and no consent on the part of any other person is necessary to validate the transfer thereof to Buyer, except as otherwise expressly contemplated by this Agreement.

(b) At Closing, Seller conveys the Stations' tower, transmitting, and studio equipment is sold in an "as is" condition, with no warranty as to its operating fitness. The Stations equipment will be operating in accordance with the terms and conditions of the Stations' FCC Licenses, all underlying construction permits, and the rules and regulations of the FCC, except for any violation which would not have a material adverse effect on the business of the Stations. All assets listed in **Exhibit 1.2** will be in "as is" operating condition at the Closing Date. The Stations' towers, transmitting, and studio equipment is in "as is" operating condition.

6.4 **Real Property.** The Real Property described in **Exhibit 1.7** is all real property owned by Seller. On the Closing Date, Seller shall convey good and marketable title to the Real Property in fee simple absolute, free and clear of all liens, mortgages, and encumbrances whatsoever except for the lien of real estate taxes not yet due and payable and easements and other rights or restrictions of record, imperfections of

title, encumbrances, none of which materially detracts from or interferes with the use or operation of the Real Property for the purpose for which it is presently being used by the Seller. There are no pending or, to the best of Seller's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Real Property. Seller's use and occupancy of the Real Property complies in all material respects with all regulations, codes, ordinances, and statutes of all applicable governmental authorities.

6.5 **Condition of Transmission Equipment.** All transmission equipment and other broadcast equipment to be transferred to Buyer hereunder is, and will be on the Closing Date, operable in accordance with FCC requirements.

6.6 **Zoning.** Seller's use of the Real Property is not at the present time, and will not be as of the Closing Date, in violation of any zoning regulations, ordinances, orders or requirements of any state or local governmental authority.

6.7 **Employment Contracts.** No employee of the Stations has, or will on the Closing Date, have a contract of employment not terminable at will.

6.8 **FCC and Other Licenses.** The FCC Licenses and any other government authorizations to be assigned to Buyer hereunder are, and will be at the Closing, valid and existing authorizations in every material respect for the purpose of operating the Stations. All applications, reports and other disclosures required by the FCC with respect to the Stations for such periods during which the Stations have been owned by Seller have been, and will be as of the Closing, duly filed. Such items as are required to be placed in the Stations' local public files have been placed in such files. All proofs of performance and measurements that are required to be made by Seller with respect to the Stations' transmission facilities have been completed and filed at the Stations.

6.9 **Contracts.** True and complete copies of all contracts and agreements listed on **Exhibit 1.3** have been furnished to Buyer. All provisions of such contracts and agreements and of any other contracts and agreements which may be effectuated between the date hereof and the Closing Date relating to the operation of the Stations have been complied with and will have been complied with as of the Closing, and no material default in respect to any duties or obligations required to be performed thereunder have or will have occurred. To the best of Seller's knowledge there are not and will not be as of the Closing any agreements, contracts, understandings or commitments which do or will restrict or inhibit the right of Seller to enter into this Agreement, to make the representations and warranties provided herein, or to consummate any of the transactions contemplated hereby.

6.10 **Insolvency Proceedings.** No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Seller or any of its assets or properties are pending or, to the knowledge of Seller, threatened, and to the best of its knowledge the Seller has made no assignment for the benefit of

creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

6.11 **Litigation.** To the best of Seller's knowledge, no judgment is presently pending against Seller and, except for proceedings of general applicability or specific applicability to the Stations' markets, there is no litigation, proceeding or investigation by or before the FCC or by or before any other person, firm or governmental agency pending, or, to the best knowledge of Seller, threatened with respect to the Stations which might result in any material adverse change in the operation of the Stations or would have a material adverse effect on the right, title or interest of Seller in the property and assets to be transferred hereunder or would have a material adverse effect on the ownership, use or possession of the Stations or any of such property or assets by Buyer or which may question the validity of any action taken or to be taken pursuant to or in connection with any of the provisions of this Agreement; and Seller does not know of any basis for any such litigation, proceeding or investigation.

6.12 **Insurance.** There is presently in force fire, casualty and liability insurance in respect to the properties and assets to be transferred and conveyed hereunder and the business and operations of the Stations, and Seller will maintain or cause to be maintained such presently existing insurance in force until the Closing.

6.13 **Disposal of Assets.** Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the Assets to be conveyed pursuant to this Agreement other than in the ordinary course of business and only as such assets are replaced, prior to the Closing Date, by other assets of equal or greater worth and utility.

6.14 **No Infringement.** To the best of Seller's knowledge, the operations of the Stations do not infringe, and no one has asserted that such operations infringe, any copyright, patent, trademark, trade name, service mark, or other similar right of any other party.

6.15 **Compliance with Labor Laws.** To the best of its knowledge, Seller has, in the conduct of the affairs of the Stations, complied with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, equal employment opportunity, collective bargaining, pension, welfare benefit plans, and the payment of social security and similar taxes. At Closing, Seller will not owe any arrears of wages or any tax penalties for failure to comply with any of the foregoing.

6.16 **No Unions.** No employees of the Stations are represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the NLRB, and, to the best of Seller's knowledge, there has been no concerted effort to unionize any of the Stations' employees. To the best of Seller's knowledge, there are no material controversies pending or threatened between Seller and any of the Stations' employees, and Seller is not aware of any facts

that could reasonably result in any such controversy. Seller has never maintained or contributed to any pension plan (including, but not limited to, any single or multi-employer pension plan within the meaning of ERISA, as amended) with respect to any of the Stations' current or former employees. Seller has delivered to Buyer an accurate list of all persons currently employed by the Stations together with a description of the terms and conditions of their respective employment as of the date of this Agreement. Seller will advise Buyer of any changes in the Stations' employees which occur prior to Closing.

6.17 **No Breach.** To the best of Seller's knowledge, the execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound.

6.18 **Administrative Violations.** If Seller receives an administrative or other order relating to any violation of the rules and regulations of the FCC, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify Buyer of such order and use reasonable efforts to remove or correct such violations and will be responsible for the cost of removing same, including the payment of any fines or back pay that may be assessed for any such violation, and Seller will indemnify and hold Buyer harmless with respect to any and all such violations occurring prior to the Closing Date. As of the date hereof, Seller is not aware of any such violations, any pending investigations concerning such violations, or of any facts which could reasonably result in such violations.

6.19 **Taxes.** Seller, by the Closing Date, will have paid and discharged all taxes, assessments, excises and other levies relative to the assets being sold, which if due and not paid, would interfere with Buyer's full enjoyment of the assets, facilities, licenses and other items conveyed hereunder, excepting such taxes, assessments and other levies which will not be due until after the Closing Date and which are to be prorated between Seller and Buyer.

6.20 **Preservation of Business.** Seller shall use its best efforts consistent with past practices to maintain the present character of the Stations and the quality of its programs, preserve the business organization and make-up of the Stations, preserve the Stations' present customers, audience rankings, and business relations, until the day of the Closing.

6.21 **Operations Pending Closing.** Between the date hereof and the Closing Date, the Stations shall be operated in the normal and usual manner in accordance with the rules, regulations and policies of the FCC, and the Stations' business shall be conducted only in the ordinary course. No increase shall be made in the compensation payable or to become payable to any employee or agent of the Stations other than in the ordinary course of business consistent with Seller's past practice. No

employment contract shall be entered into by Seller or on behalf of the Stations which would legally bind the Buyer following the Closing, unless the same is terminable at will.

6.22 **Adverse Developments.** Seller shall promptly notify Buyer, in writing, of any materially adverse developments with respect to the business or operations of the Stations.

6.23 **Access.** Between the date hereof and the Closing Date, Seller will give Buyer or representatives of Buyer reasonable access during normal business hours to the property, titles, contracts, books, records and affairs of Seller relating to the operation of the Stations and furnish Buyer with all documents and copies of documents and information concerning the business and affairs of the Stations as Buyer may reasonably request; provided, however, that no investigation made by or on behalf of Buyer shall affect Seller's representations, warranties and covenants hereunder. Buyer and its counsel, accountants, engineers and other representatives shall hold in confidence all data and information obtained, except for public record information, and if the transactions provided for in this Agreement are not consummated as contemplated, shall continue to hold such non-public information in confidence and return all documents without retaining any copies, and further they shall not directly or indirectly disclose to anyone or use in competition with the Stations any data and information obtained in connection with this proposed purchase, or induce or attempt to persuade any of Seller's employees not to be employed by, or to terminate their employment with Seller at anytime.

6.24 **Environmental Protection.** That: (i) except as consistent with applicable Environmental Laws, no Hazardous Substances are present on or below the surface of the Real Property and such real estate has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or surface water of the Real Property is contaminated by any Hazardous Substance and there is no reasonable potential for such contamination from neighboring real estate; and (iii) no Hazardous Substances are omitted, discharged or released from the Real Property, directly or indirectly, into the atmosphere or any body of ground water. Neither Seller nor, to the best of Seller's knowledge, any present or former owner or operator of the Real Property is liable for clean up or response costs with respect to the admission, discharge or release of any Hazardous Substance or for any other matter arising under the Environmental Laws due to its ownership of or operations on the Real Property. No "underground storage tanks" as that term is defined in regulations promulgated by the EPA are used in the operation of the Stations or are located on the Real Property. As used herein, the term "Environmental Laws" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) the Hazardous Materials Transportation Act (42 U.S.C. §1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §260-1 et seq.), the Clean Air Act (42 U.S.C. §7901 et seq.), the National Environmental Policy Act (42 U.S.C. §4231, et seq.), the Refuse Act (33 U.S.C. §407, et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), and all rules,

regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing. The term "Hazardous Substance" as used herein means any pollutant, contaminant, or hazardous or toxic substance, waste or material as those or similar terms are defined in the Environmental Laws or listed as such by the EPA.

6.25 Tower Compliance. There are no pending, or to the best of Seller's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Transmitter Sites described in **Exhibit 1.7**. To the best of Seller's knowledge, Seller's use and occupancy of the Transmitter Sites comply in all material respects with all regulations, codes, ordinances, and statutes of all applicable governmental authorities. To the best of Seller's knowledge, the Towers are properly painted, lighted, fenced, and maintained in compliance with the FCC and FAA guidelines applicable to them.

To the best of Seller's knowledge, the current placement and operation of all equipment on the Towers does not cause human exposure levels to radiofrequency radiation in excess of the limits set by the FCC. Furthermore, to the best of Seller's knowledge, other than as indicated in **Exhibit 6.25** hereto, the Towers (a) are not located in an officially designated wilderness area or wildlife preserve, (b) do not affect threatened or endangered species or designated critical habitats listed on the U.S. Government's list of endangered and threatened species or identified by the U.S. Fish and Wildlife Service, (c) are not located on or are themselves an Historic Property listed in or eligible for listing in the National Register of Historic Places, including properties of religious and cultural importance to an Indian tribe or Native Hawaiian organization that meets the National Register of Historic Places' criteria, (d) do not affect districts, sites, buildings, structures or objects significant in American history, architecture, archeology, engineering or culture that are listed in the National Register of Historic Places, and (e) do not affect Indiana religious sites.

The Towers are not now and have not been in the past the subject of a pending environmental review or related proceeding before the FCC involving compliance with Section 106 of the National Historic Preservation Act ("Section 106"), or otherwise undergone or been subject of a Section 106 review. In addition, the Towers have not previously been determined by the FCC to have an effect on one or more historic properties. Seller is not now in receipt of and has not previously received a written or electronic notification that the FCC is in receipt of a complaint from a member of the public, a Texas or New Mexico Historical Preservation Officer, Tribal Historic Preservation Officer or the Advisory Council on Historic Preservation, that the Tower(s) or any antenna(s) for an FCC-licensed operation affixed to the Tower(s) have an adverse effect on one or more historic properties.

Seller shall maintain the currency of all FAA Determinations related to FCC tower registrations, to the extent any of such tower registrations are related or essential to the Construction Permit for KMUL(AM), Muleshoe, Texas.

6.26 **Non-Disclosure/Non-Compete.** Seller and its officer, Thomas J. Crane shall not own, operate, participate and/or pursue other activities arising out of or related to radio broadcasting within the geographic physical area encompassed within a Five Hundred (500) Miles radius in and around Clovis, New Mexico, Farwell, Texas and a Muleshoe, Texas. Seller also will not disclose to others, use, copy or permit to be copied, any information or know-how regarding the operation of the Stations that is maintained or treated as secret or confidential. Seller shall execute at Closing and cause Thomas J. Crane to execute at Closing an agreement or agreements setting forth the obligations specified herein, in the form and pursuant to the terms set forth in **Exhibit 6.26.**

7. **Buyer's Representations and Warranties.** Buyer hereby makes the following representations, warranties and covenants each of which shall be deemed to be a separate representation, warranty and covenant, all of which have been made for the purpose of inducing Seller to join in and execute this Agreement, and in reliance on which Seller has entered into this Agreement:

7.1 **Corporate Existence.** Buyer is now and will be at the time of the Closing, a Limited Liability Corporation duly organized, existing and in good standing under the laws of the State of Illinois.

7.2 **Authorization.** The execution, delivery and consummation of this Agreement has been duly authorized by the President and Board of Directors of Buyer and no further authorization, approval or consent is required.

7.3 **No Breach.** The execution, delivery and consummation of this Agreement will not conflict with any provision of the Corporate Documents of Buyer.

7.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Purchased Assets consistent with the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission ("FCC"). To the best of Buyer's knowledge, no circumstances exist which reasonably could support a conclusion by the FCC that Buyer lacks the requisite qualifications to acquire and operate the Stations.

7.5 **No Conflict.** Neither the execution or delivery of this Agreement nor compliance with the terms of this Agreement will (i) conflict with any order, judgment, injunction, award or decree of any governmental body, administrative agency or court, or any agreement, lease or commitment, to which Buyer is a party or by which Buyer is bound, or (ii) constitute a violation by Buyer of any law or regulation applicable to it.

7.6 **Litigation.** There is no claim, litigation, proceeding or governmental investigation pending or threatened, or any judgment, order, injunction or decree outstanding, against Buyer and Buyer does not know of any valid basis for future

claims, litigations, proceedings or investigations against Buyer that might materially and adversely affect its ability to consummate the transactions contemplated by this Agreement.

8. **Indemnification.**

8.1 **Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Buyer arising from the claimed or actual breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Seller not assumed by Buyer pursuant to this Agreement, (ii) all liens, charges, or encumbrances on any of the assets transferred hereunder not specifically excepted herein, and (iii) all liabilities of Seller accruing prior to Closing under the contracts, leases, and agreements assigned to Buyer hereunder. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000.

8.2 **Seller's Right to Indemnification.** Buyer undertakes and agrees to indemnify and hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from claimed or actual breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties and representations contained in this Agreement, and for and against (i) all liabilities of Buyer, (ii) any and all liabilities or obligations accruing after the Closing Date under the contracts, leases, and agreements assumed by Buyer hereunder and (iii) any actions by Buyer after Closing. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000.

8.3 **Procedure.** If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification shall give written notice thereof to the other party promptly (in no event more than ten (10) days after it learns of the existence of such claim or proceeding) and the party from whom indemnification is sought shall have the right to employ counsel to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the indemnifying party deems it advisable to do so, all at the expense of the indemnifying party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from whom indemnification is sought does not furnish a written acknowledgment of its undertaking to defend or settle such claim or proceeding within ten (10) days after receipt of the notice of claim from the party seeking indemnification (or such shorter time specified in the notice as the circumstances of the matter may dictate), the party seeking indemnification shall be free to dispose of the matter, at the

expense of the indemnifying party, in any reasonable way which it deems in its best interest.

9. **Survival of Representations and Warranties.** The several representations and warranties of the parties contained herein shall survive the Closing for a period of six (6) months; provided, however, that all warranties as to corporate authority and as to title to all Personal and Real Property shall survive for such maximum period as permitted by law.

10. **Actions Pending Closing.** Pending the Closing of this Agreement, Seller will:

10.1 **Access:**

(a) Give Buyer and its representatives full access during normal business hours to the business offices, business properties, books and records of the Stations, and furnish Buyer with all such financial and other information concerning the Stations, its assets and properties as Buyer may reasonably request, all subject to the confidentiality restriction of Section 6.26 hereof. Buyer agrees to take no action which would interfere with the normal business or operation of the Stations; and

(b) Give Buyer and its representatives full access to the studios and studio equipment and the right to inspect the Towers and equipment.

10.2 **Compliance with Laws.** Comply in all material respects with all applicable federal, state and local laws, ordinances and regulations including, but not limited to, the Communications Act of 1934 and the rules and regulations of the FCC.

10.3 **Continuing Maintenance.** Keep and maintain in normal operating repair and efficiency all property to be sold hereunder and including all of the items of property set forth in **Exhibit 1.2** hereto; provided, that, to the extent required in the normal operation of the Stations, such items of property may be replaced with similar property of similar value.

10.4 **Insurance.** Maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance for the Assets providing coverage against such risks.

10.5 **Notification.** Give detailed written notice to Buyer promptly upon the occurrence of any event that would cause or constitute a breach of Seller's representations or warranties contained in this Agreement or in any exhibit referred to by it, or constitutes a material adverse development.

10.6 **Title Commitment.** By the Day of the Closing, or within Ninety (90) days of execution of this Agreement, Seller shall obtain a title commitment in the amounts set forth in **Exhibit 10.6** hereto for each parcel of the Real Property from a

licensed title insurance company. The title commitment shall be for a title policy for fee simple absolute title to the Real Property, free and clear of all liens, mortgages, and encumbrances whatsoever except for the lien of real estate taxes not yet due and payable and easements and other rights or restrictions of record, imperfections of title, or encumbrances, none of which materially detracts from or interferes with the use of the Real Property for the purpose for which it is presently being used by Seller.

11. **Conditions Precedent to Buyer's Obligations to Close.** The obligation of Buyer to consummate this Agreement is subject to the satisfaction, or to Buyer's written waiver, on or before the Closing, of each of the following conditions:

11.1 **Representations and Warranties True and Correct.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date and all of the agreements of Seller to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed.

11.2 **FCC Consent.** At the time of the Closing the Licenses, Construction Permit and any other FCC authorizations shall have been assigned and transferred to Buyer and shall contain no adverse modifications of the terms of the Licenses and such authorizations as they presently exist.

11.3 **Compliance with Conditions.** All of the terms, covenants and conditions to be complied with, or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all respects.

11.4 **Delivery of Assets.** At Closing, Seller shall deliver or cause to be delivered to Buyer all of the assets to be transferred hereunder.

11.5 **Closing Documents.** At Closing, Seller shall deliver to Buyer all the closing documents specified in Section 14, which documents shall be duly executed.

12. **Conditions Precedent to Seller's Obligations to Close.** The obligations of Seller under this Agreement are subject to the satisfaction, or to Seller's written waiver, on or before the Closing, of the following conditions:

12.1 **Payments.** All payments which are due and payable by Buyer under this Agreement on or before the Closing Date shall have been paid in accordance with the terms of this Agreement and Buyer shall have executed all of the documents required by Section 14 hereof.

12.2 **Representations and Warranties True and Correct.** Each of the covenants, representations and warranties of Buyer contained herein shall, to the extent applicable, be true at and as of the Closing Date, as though each such covenant, representation or warranty had been made at and as of such time.

12.3 **Consents.** Seller shall have duly received, without any conditions materially adverse to it, all consents and approvals under any agreement to which Seller is a party, and under any statute, necessary for (i) consummation of the sale of the Assets to Buyer and (ii) Buyer to acquire control of the Stations.

13. **FCC Approval and Application**

13.1 **Condition of FCC Consent.** Consummation of the transactions contemplated by this Agreement is subject to and conditioned upon receipt from the FCC of its consent in writing to the assignment to Buyer of the FCC Licenses and other authorizations to be transferred to Buyer hereunder, which consent shall have become final after the Closing, as such term is defined in Section 5 and Section 6 hereof.

13.2 **Application for Consent.** The parties to this Agreement agree to proceed as expeditiously as practicable to file or cause to be filed an application requesting FCC consent to the assignment and transfer of the FCC Licenses, Construction Permit and other authorizations, as contemplated by this Agreement (the "Assignment Application"). The parties agree that the Assignment Application shall be duly filed with the FCC not later than ten (10) days after the date of this Agreement, and that such application shall be prosecuted in good faith and with due diligence. The failure of either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Buyer and Seller each agree to pay one-half (1/2) of the filing fee for the Assignment Application. Buyer agrees to pay the cost of any engineering studies not already on hand required by the FCC, ownership reports, employment reports or other FCC filings and filing fees required by virtue of Seller's ownership of the Station prior to the Closing Date.

13.3 **Absence of Commission Consent.** If the Commission's consent to the assignment of the FCC Licenses, Construction Permit and other authorizations is not secured within eight (8) months after the Assignment Application is filed, then this Agreement may be terminated at the option of either party upon written notice to the other; provided, however, that neither party may terminate this Agreement if (a) such party is in default hereunder, or (b) a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to by any failure of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Application. In the event of termination in accordance with this Section 13, the Escrow Deposit, together with accrued interest, shall be returned to the Buyer. In the event the FCC freezes processing of or the filing of assignment applications in general at any time after the execution of this Agreement, the eight (8) month period specified herein shall be tolled during the period of such freeze.

13.4 **Control of Stations Pending Closing.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Stations. Such operation shall be the sole responsibility of Seller.

14 **Closing Documents.** On the Closing Date at the Closing Place:

14.1 Seller shall deliver to Buyer:

(a) An assignment transferring all of the interests of Seller in and to the Station Licenses, Construction Permit, pending applications and all other licenses, permits, and authorizations issued by any other regulatory bodies which are used or useful in the operation of the Stations;

(b) One or more warranty deeds transferring fee simple ownership in the Real Property to Buyer, and all documents necessary to effect the acquisition of the Real Property;

(c) One or more bills of sale conveying to Buyer all of the Personal Property in a form(s) usual and customary in the States of Texas and New Mexico and reasonably satisfactory to Buyer's counsel;

(d) One or more assignments, together with all required consents, assigning to Buyer all of the Contracts and the Call Letters and other intellectual property;

(e) A Certificate, dated as of the Closing Date, of Seller certifying that all necessary corporate or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(f) The books, records and files referred to in Section 1.6 hereof;

(g) A consent signed by both parties to be provided to Escrow Agent for the release of the Escrow Deposit;

(h) A Closing Memorandum, setting forth the details of the Closing and any agreed to changes or deviations from this Agreement;

(i) A written statement acknowledging the receipt by Seller of the Purchase Price;

(j) A non-disclosure non-compete agreement(s) (in the form set forth in **Exhibit 6.26**) obligating Seller and its individual officer to the representation and warranty made in Section 6.26; and

(k) A duly executed Un-Wind Agreement.

14.2 Buyer shall deliver to Seller:

(a) The Purchase Price, as same may be adjusted in accordance with this Agreement, in the form provided for in Section 3 hereof;

(b) A certificate, dated as of the Closing Date, of the Buyer certifying that all necessary corporate or other action by Buyer has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(d) A Certificate of Corporation of Buyer;

(e) A signed consent to be provided to Escrow Agent for the release of the Escrow Deposit;

(f) A Closing Memorandum, setting forth the details of the Closing and any agreed to changes or deviations from this Agreement;

(g) A written statement acknowledging the receipt by Buyer of the Assets.

(h) A duly executed Un-Wind Agreement.

15. **Prorations.**

15.1 **Apportionment of Income and Expense.** Seller shall be entitled to all income received, and shall be responsible for all expenses arising out of, the operations of the Stations through the close of business on the Closing Date. Buyer shall be entitled to all income received, and shall be responsible for all expenses arising out of, the operations of the Stations after the close of business on the Closing Date. All overlapping items of income or expense, including the following, shall be prorated between the Seller and Buyer as of the close of business on the Closing Date (the "Prorations"):

(a) Advance payments received from advertisers prior to or on the Closing Date for services to be rendered in whole or in part after the Closing Date;

(b) Prepaid expenses and deposits arising from payments made for goods or services prior to the close of business on the Closing Date where all or part of the goods or services have not been received or used at the close of business on the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);

(c) Liabilities, customarily accrued, arising from expenses incurred but unpaid as of the close of business on the Closing Date;

(d) Personal and real property taxes and utility charges related to the Stations or in respect of any of the Assets; and

(e) Deposits and unearned prepayments received by Seller in connection with any agreement assumed by Buyer.

15.2 **Determination and Payment.** Prorations shall be made and paid, insofar as feasible, on the Closing Date and shall be paid by separate check and not by way of adjustment to the Purchase Price. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the Closing Date, Buyer shall determine all such Prorations and shall deliver a statement of its determinations to Seller, which statement shall set forth in reasonable detail the basis for such determinations, and within thirty (30) days thereafter Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due. If Seller does not concur with Buyer's determinations, the parties shall confer with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties. If the parties are unable to resolve the matter, it shall be referred to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer.

16. **Default and Remedies.**

16.1 **Material Breaches.** A party shall be deemed to be in default under this Agreement only if such party has materially breached or failed to perform its obligations hereunder, and no non-material breaches or failures shall be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

16.2 **Opportunity to Cure.** If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of (i) the Closing Date, or (ii) within ten (10) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such ten (10) day period and continue such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section 16, subject to the right of the other party, as permitted by this Section 16, to contest such action through appropriate proceedings.

16.3 **Seller's Remedies.** Buyer recognizes that if this transaction is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the transaction is not consummated due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with Seller's obligations under this Agreement, shall be entitled to liquidated damages in the amount of SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500.00). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other

relief to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction.

16.4 **Buyer's Remedies.** Seller agrees that the purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, notwithstanding the provisions of Section 16.2, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to and does waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

17. **Damage.** The risk of loss or damage to the fixed and tangible assets to be sold to Buyer hereunder shall be upon Seller at all times prior to Closing. In the event of such loss or damage, Seller shall promptly notify Buyer thereof and repair, replace or restore any such damaged property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such relief or restoration of any such damage has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall pay to Buyer the costs of such repairs, replacements or restoration as is required to restore the property to its former condition, if Seller and Buyer agree to all costs; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller to make such repairs, replacements, or restoration as is required to restore the property to its former condition.

18. **Failure of Broadcast Transmission.** If regular broadcast transmissions by any of the Stations in the normal and usual manner are interrupted or discontinued, for more than Forty-Eight (48) hours in a single occurrence, Seller shall give prompt written notice thereof to Buyer. Seller shall have a period of Twenty (20) Days to restore to broadcasting in a normal and usual manner.

19. **Brokerage.** Buyer and Seller hereby mutually represent that there are no finders, consultants, or brokers involved in this transaction other than Media Services Group, Inc., and that neither Seller nor Buyer has agreed to pay any brokers, finders, or consultants fee in connection with this transaction other than the fee of Media Services Group, Inc., the payment of which shall be the sole responsibility of the Seller, in full at Closing. With respect to the Escrow deposit, Media Services Group, Inc. is entitled to retain the brokerage fee at Closing and pay the balance, if any, to the appropriate party.

20. **Notices.** All necessary notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed duly given if mailed by registered mail, return receipt requested, or by Federal Express courier service, postage prepaid, addressed as follows:

(a) If to Buyer: Tallgrass Broadcasting, LLC
Attn: Joseph E. Walker
1174 Hunters Ridge East
Hoffman Estates, IL. 60192

with copy to: Michelle McClure, Esq.
Irwin, Campbell, and Tannenwald
1730 Rhode Island Ave., N.W., Suite 200
Washington, D.C. 20036

(b) If to Seller: Broadcast Entertainment Corporation
Attn: Thomas J. Crane
1000 Sycamore Street
Clovis, New Mexico 88101

with copy to: Brendan Holland, Esq.
Davis, Wright, Tremaine
1500 K Street, N.W.
Washington, D.C. 20005

21. **Entire Agreement.** This Agreement supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

22. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

23. **Headings/Recitals.** The headings of the paragraphs or sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement. The recitals to this Agreement are specifically incorporated herein, and are an integral part of this Agreement.

24. **Exhibits.** The Exhibits to this Agreement are a material part hereof.

25. **Severability.** In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

26. **Choice of Laws.** This Agreement is to be construed and governed by the laws of the State of Texas, except for the choice of law rules utilized in that state.

27. **Bulk Sales.** Seller will indemnify and hold Buyer harmless against any cost or expense as a result of Seller's failure to comply with the provisions of any bulk sales or fraudulent conveyance statutes.

28. **Benefit; Assignment.** This Agreement shall inure to the benefit and be binding upon the parties hereto and their respective successors and assigns. Buyer may assign its rights and obligations hereunder with Seller's written consent, which shall not be unreasonably withheld. Seller shall not assign its rights or obligations to this Agreement except that Seller may do so by way of liquidating distribution (and any other assignment by Seller shall be null and void and of no force and effect).

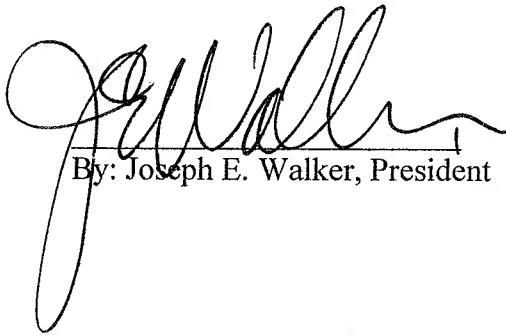
29. **Fees and Expenses.** Except as specifically otherwise provided herein, Buyer and Seller shall each pay its own costs and expenses relating to the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby.

30. **Public Announcements.** No party hereto shall make or shall authorize any other person to make any public announcement relating to any aspect of the transactions described herein without having first consulted with Buyer and Seller concerning the requirement for, and timing and content of, such public announcement and having received their prior consent thereto. Notwithstanding the foregoing, actions relative to obtaining approvals and like matters shall be permissible and Buyer may make all disclosures in its judgment necessary to obtain financing for purposes of carrying out the transactions described in this Agreement.

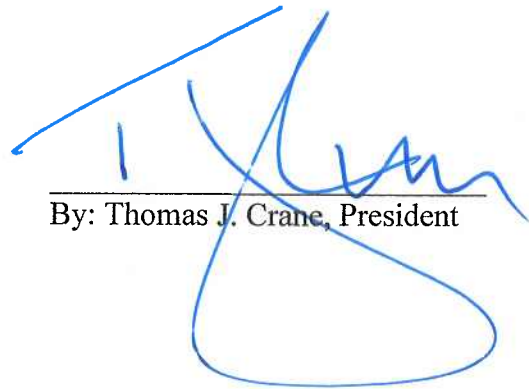
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or partners as of the date first written above.

BUYER
Tallgrass Broadcasting, LLC.

SELLER
Broadcast Entertainment Corporation



By: Joseph E. Walker, President



By: Thomas J. Crane, President

Exhibit 1.1

FCC Licenses and Authorizations

License/Authorization	Location
KICA-FM (Fac. Id. 61578)	Farwell, Texas
KICA-AM (Fac. Id. 61577)	Clovis, New Mexico
KKYC-FM (Fac. Id. 33402)	Clovis, New Mexico
KMUL-FM (Fac. Id. 61586)	Muleshoe, Texas
KMUL-AM (Fac. Id. 61572)	Farwell, Texas
BP-20040109AAW (KICA-AM CP)	Clovis, New Mexico
BP-20050315AFH (KMUL-AM Appl)	Farwell, Texas
WHB808 (Aural Studio Transmitter Link)	Farwell, Texas
WLO385 (Aural Studio Transmitter Link)	Farwell, Texas
WLO386 (Aural Intercity Relay)	Farwell, Texas
WPZA382 (Broadcast Aux Rem. Pickup)	Clovis, New Mexico
Any and all FAA Determinations of No Hazard and FCC Tower Registrations	Various

Exhibit 4.0

Escrow Agreement

ESCROW AGREEMENT

This Escrow Agreement, dated this the 24 day of January, 2007, by and between Broadcast Entertainment Corporation, a Texas Corporation ("Seller"), Tallgrass Broadcasting, LLC, an Illinois Limited Liability Corporation ("Buyer") and Media Services Group, Inc. ("Escrow Agent").

WITNESSETH:

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement dated January __, 2007, ("Purchase Agreement") pursuant to which, among other things, Buyer will acquire certain tangible and intangible assets owned or otherwise held by Seller relating to FM radio stations KICA-FM, Farwell, Texas, KKYC, Clovis, New Mexico, and KMUL-FM, Muleshoe, Texas as well as AM stations KICA, Clovis, New Mexico, and KMUL, Farwell, Texas (the "Stations"); and

WHEREAS, Seller and Buyer have, in connection with the Purchase Agreement, also agreed to enter into this Escrow Agreement; and

WHEREAS, Escrow Agent, has agreed to function as an escrow for the Buyer and Seller.

NOW, THEREFORE, in consideration of the terms of the Purchase Agreement and the mutual promises herein contained, it is agreed as follows:

ARTICLE I

Deposit of Escrow Funds

Upon execution of this Escrow Agreement, Buyer, in accordance with Section 4 of the Purchase Agreement, has, or will within Ten (10) Days of executing the Purchase Agreement, deposited with the Escrow Agent the sum of SIXTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500.00) ("Escrow Funds") with the Escrow Agent. The Escrow Funds shall be invested by Escrow Agent in an interest-bearing account ("Escrow Account").

ARTICLE II

Investment of Escrow Funds

The Escrow Agent shall invest and reinvest the escrow funds in the SunTrust Bank AIM Prime Reserve Fund, or otherwise as Buyer shall instruct; provided, however, that the Escrow Agent shall not be required to invest in or hold any instrument in bearer form. The Escrow Agent shall not be held responsible for the failure of any financial institution or entity into which the escrow funds are deposited or for the loss of all or any part of the escrow funds, after they have been deposited with such financial institution or entity or as otherwise deposited or invested in accordance with the provisions herein. The Escrow Agent shall hold said escrow funds together with all interest accumulated thereon and proceeds therefrom and dispose of the same as hereinafter provided.

ARTICLE III
Disposition of Escrow Funds

. The Escrow Agent shall distribute and dispose of the escrow funds, less any expense reimbursement due Escrow Agent, as follows:

(a) In the event the purchase and sale closes in the manner contemplated in the Purchase Agreement, the escrow funds shall be paid over at closing in accord with said Purchase Agreement. In such event, all interest earned and accumulated thereon and proceeds therefrom shall be paid over to Buyer at closing.

(b) In the event the purchase and sale does not close as contemplated in the Purchase Agreement due to the material breach by or default of the Buyer under the terms of the Purchase Agreement, then the escrow funds shall be paid over to Seller together with all interest earned and accumulated thereon and the proceeds therefrom.

(c) In the event the purchase and sale does not close as contemplated in the Purchase Agreement due to the material breach by or default of the Seller under the terms of the Purchase Agreement, then the escrow funds shall be paid over to Buyer together with all interest earned and accumulated thereon and the proceeds therefrom.

(d) In all other events, if the Purchase Agreement is terminated or if the transactions or closing contemplated thereby are not consummated, the escrow funds shall be returned to the Buyer together with all interest earned and accumulated thereon and the proceeds therefrom.

(e) If any provision of this Paragraph with respect to the disposition of the escrow fund is in conflict with any provision of the Purchase Agreement with respect to such disposition, then such provision in the Purchase Agreement shall control.

ARTICLE IV
Controversies with Respect to Escrow Funds

The Escrow Agent shall discharge his duties to dispose of the escrow fund in accord with the provisions of Paragraph 3 above upon the joint written instructions of the Seller and Buyer or their duly designated representatives. If the Escrow Agent shall not have received such joint written instructions or a controversy shall exist between Buyer and Seller as to the correct disposition of the escrow funds, the Escrow Agent shall continue to hold the escrow funds and the income earned or accrued thereon until:

(a) The receipt by the Escrow Agent of the joint written instructions of the Seller and Buyer as to the disposition of the escrow funds; or

(b) The receipt by the Escrow Agent of a final order entered by a court of competent jurisdiction determining the disposition of the escrow funds and the income earned or accrued thereon; or

(c) The Escrow Agent shall have, at its option, filed an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and paid the escrow funds and all income earned or accrued thereon into said court, in which event, the Escrow Agent's duties, responsibilities and liabilities with respect to the escrow fund, proceeds therefrom and this Agreement shall terminate.

ARTICLE V
Concerning the Escrow Agent

The following shall control the fees, resignation, discharge, liabilities and indemnification of the Escrow Agent:

(a) The Escrow Agent shall charge no fees for its services hereunder, but shall be reimbursed for all reasonable expenses, disbursements and advancements incurred or made by the Escrow Agent in performance of his duties hereunder including but not limited to wire transfer fees and its attorney's fees; one-half (1/2) of any such expenses, disbursements and advances to be paid by Buyer and one-half (1/2) by the Seller upon Escrow Agents request, other than for expenses for investments authorized hereunder which shall be borne by Buyer.

(b) The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to the parties hereto, specifying the date when such resignation shall take effect. Upon such notice, a successor escrow agent shall be appointed with the unanimous consent of the parties hereto, and the service of such successor escrow agent shall be effective as of the date of resignation specified in such notice, which date shall not be less than thirty (30) days after giving such notice. If the parties hereto are unable to agree upon a successor agent within thirty (30) days after such notice, the Escrow Agent shall be authorized to appoint its successor. The Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and the Escrow Agent deposits the escrow fund with such successor escrow agent.

(c) The Escrow Agent undertakes to perform such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. The Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without any liability upon the contents thereof. Escrow Agent shall be under no obligation to refer to the Purchase Agreement or to any other documents between the parties related in any way to this Escrow Agreement, except as specifically provided herein

(d) The Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted by it in good faith, or in accordance with advice of counsel (which counsel may be of the Escrow Agent's own choosing) and it shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by its own misconduct or gross negligence.

(e) Each of the Buyer and Seller agrees to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder. Buyer and Seller agree jointly to indemnify the Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder, except in the case of liabilities incurred by the Escrow Agent resulting from its own misconduct or gross negligence.

(f) The Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash, letter of credit or security deposited with it.

ARTICLE VI
Miscellaneous

(a) This Escrow Agreement shall be construed by and governed in accordance with the laws of the State of Texas, applicable to agreements executed and wholly to be performed therein.

(b) This Escrow Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and assigns.

(c) This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

(d) Paragraph headings contained in this Escrow Agreement have been inserted for reference purposes only, and shall not be construed as part of this Escrow Agreement.

(e) Any notice, report, demand, waiver or objection required, permitted or contemplated hereunder shall be in writing and shall be given personally or by prepaid registered or certified mail, with return receipt requested, addressed as follows:

(a) If to Buyer: Tallgrass Broadcasting, LLC
Attn: Joseph E. Walker
1174 Hunters Ridge East
Hoffman Estates, IL 60192

with copy to: Michelle McClure, Esq.
Irwin, Campbell and Tannenwald
1730 Rhode Island Ave., N.W., Suite 200
Washington, D.C. 20036

(b) If to Seller: Broadcast Entertainment Corporation
Attn: Thomas J. Crane
1000 Sycamore Street
Clovis, New Mexico 88101

with copy to: Brendan Holland, Esq.
Davis, Wright, Tremain
1500 K Street, N.W., Suite 450
Washington, D.C. 20005

(c) If to Escrow Agent:

Media Services Group, Inc.
Attn: Robert J. Maccini
170 Westminster Street, Suite 701
Providence, RI 02903

Any notice shall be deemed received upon the date of delivery if given personally or, if given by mail, upon the receipt thereof. Any party may change its address for the purpose of this Article VI by giving notice to the other parties hereto in accordance with this Article VI.

ARTICLE VII

Termination

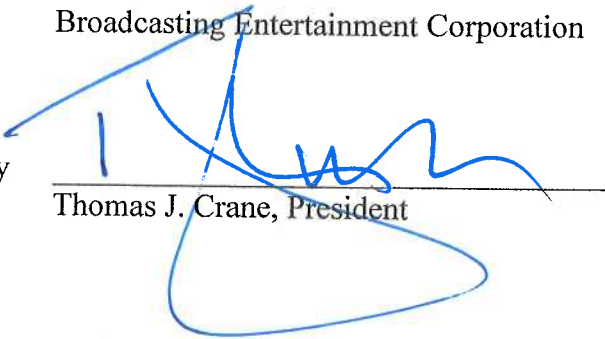
This Escrow Agreement shall automatically terminate upon the distribution of the escrow fund in accord with the terms hereof.

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

SELLER:

Broadcasting Entertainment Corporation

By


Thomas J. Crane, President

BUYER:

Tallgrass Broadcasting, LLC

By:


Joseph E. Walker, President

ESCROW AGENT:

Media Services Group, Inc.

By:

Robert J. Maccini

Any notice shall be deemed received upon the date of delivery if given personally or, if given by mail, upon the receipt thereof. Any party may change its address for the purpose of this Article VI by giving notice to the other parties hereto in accordance with this Article VI.

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Broadcasting Entertainment Corporation

By



Thomas J. Crane, President

BUYER:

Tallgrass Broadcasting, LLC

By:

Joseph E. Walker, President

ESCROW AGENT:

Media Services Group, Inc.

By:



Robert J. Maccini

Exhibit 6.26

Non Disclosure/Non Compete Agreement

**NON-COMPETITION AND
NON-DISCLOSURE AGREEMENT**

This Non-Competition and Non-Disclosure Agreement (the "Agreement") is entered into this 27 day of January, 2007 (the "Effective Date") by and between Broadcasting Entertainment Corporation, a Texas Corporation ("Seller") and Thomas Crane, the officer, director and majority shareholder of Seller (collectively "Promissors"), and Tallgrass Broadcasting, LLC, an Illinois Limited Liability Corporation ("Buyer").

Recitals

A. Buyer, on or about January __, 2007, entered into an agreement with Seller ("Asset Purchase Agreement" or "APA"), to acquire certain assets of Seller including, without limitation, FM radio stations KICA-FM, Farwell, Texas, KKYC, Clovis, New Mexico, and KMUL-FM, Muleshoe, Texas as well as AM stations KICA, Clovis, New Mexico, and KMUL, Farwell, Texas (the "Stations").

B. After the Closing, any manner of participation by Promissors in radio broadcasting that is indirectly or directly in competition with Buyer in the Territory would adversely affect Buyer.

C. As such, Buyer desires to restrict, and the Promissors are willing to have restricted, their right to enter the radio broadcasting business in the Territory on or after the date of the Closing of the APA.

D. Buyer will not enter into or close the APA without the execution at the Closing of this Agreement by the Promissors.

E. No person, firm or corporation (including, without limitation, the Buyer) has required, directed or caused the Promissors to enter into this Agreement; rather, the Promissors have voluntarily entered into this Agreement in light of the promise of the non-illusory consideration paid as part of the Closing of the APA.

F. The Promissors acknowledge that this Agreement is a subsidiary of the main purpose of disposing of an established business.

NOW THEREFORE, the parties agree as follows:

Agreement

1. Incorporation. The above recitals are incorporated into this Agreement.

2. Definitions. As used in this Agreement:

(a) "*Radio Broadcasting*" shall include without limitation, the satellite, internet or broadcast radio business, regardless of the form, kind, manner or method of transmission or distribution of signal or of programming.

(b) "*Customer*", "*Advertiser*" or "*Supplier*" shall mean any customer, advertiser or supplier of the Buyer's radio broadcasting business.

(c) "*Territory*" shall mean the geographic physical area encompassed within the Grade B contours of any of the Seller's Stations' Federal Communications Commission Licenses, including the communities in and around Clovis, New Mexico and Farwell and Muleshoe, Texas.

3. Negative Covenants. Promissors covenant and agree that they shall not for a period of five (5) years from and after the Effective Date of this Agreement, directly or indirectly:

(a) own any interest in, manage, operate, control or participate in any manner in the ownership, management, operation or control of any person, firm, partnership corporation or other entity which is engaged in the radio broadcasting business in the Territory;

(b) own and/or operate a radio (AM or FM) station in the Territory for a period of five (5) years from and after the Effective Date of this Agreement, including through one or multiple Local Marketing Agreements ("LMA");

(c) solicit or induce any Advertiser, Supplier or Customer of Buyer to cease doing business with Buyer in the Territory or solicit any such Advertiser, Supplier or Customer to advertise with, supply or become a customer of the Promissors for radio broadcasting services in the Territory; or

(d) solicit or lobby any governmental body, local state or federal, to deny or withdraw any franchise or other license, permit or permission; or, solicit or lobby any governmental body, local, state or federal, to grant any franchise, other license, permit or permission to any other person or entity, to do radio (AM or FM) broadcasting in the Territory.

4. Non-Disclosure. Promissors shall not, at any time after the execution hereof and prior to the termination of the APA without a Closing thereof, and, if there shall be a Closing thereof, then at no time thereafter including after the expiration of the non-competition clause set forth in Section 2 above, disclose to others, use, copy or permit to be copied, any information or know-how heretofore used in the operation of the Station that is maintained as a secret or as confidential information, without prior written consent of the Buyer. "Secret or confidential information or know-how" shall include, but shall not be limited to, plans, advertisers, suppliers, costs, uses and applications of products and services, results of investigations, or experiments, financial information and all apparatus, processes, compositions, samples, computer programs and servicing methods and techniques at any time used, developed, investigated or sold and which are not now or hereafter available to the public and which are hereafter maintained as confidential by the Buyer as such information relates to the Radio Broadcasting business, and any secret or confidential information or know-how of third parties relating to the Radio Broadcasting business conducted by Seller prior to the Closing which is in the possession or control of the Buyer.

5. Breach/Remedy. If the Promissors shall violate any provision of this Agreement, the parties agree that Promissors shall be in breach of this Agreement and any remedy at law that the Buyer may have will be inadequate. Accordingly, in the case of breach by the Promissors, the parties agree that the Buyer shall be entitled to (a) specific performance of this Agreement; (b) injunctive relief against the Promissors committing such breach; (c) damages in the form of an accounting and payment of all profits, compensation, commissions, remuneration or benefits which Promissors directly or indirectly realized or may realize as a result, growing out of, or in connection with any such breach; and (d) any other right or remedy which the Buyer may be entitled to at law or in equity or under this Agreement, any or all of which shall be cumulative but which may be exercised from time to time in whole or in part.

Should Buyer be unable to obtain satisfactory remedial action from Promissors after a reasonable time and with reasonable effort, Buyer is allowed to commence an action to enforce this Agreement in a court of competent jurisdiction and seek all remedies available to it under law.

6. Acknowledgment. Promissors acknowledge that consideration for Promissors' agreements and representations contained herein is included in the purchase price in the APA, and acknowledge payment and receipt thereof.

7. Promissors' Representations and Warranties. The Promissors, who have carefully read and considered the provisions of the Agreement, represent and warrant to the Buyer: (a) that the restrictions set forth herein are fair and reasonable both as to term, scope of activity and territory; (b) that same are reasonably required for the protection of the interest of the Buyer; and, (c) that the statements contained in the Recitals are true and correct as of the date hereof.

8. Buyer's Reliance. The representations, warranties, statements and covenants contained herein are made by Promissors with the knowledge and expectation that Buyer is placing complete reliance thereon in entering into and consummating this transaction.

9. Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

10. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Texas.

11. Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof, except for any agreement, in writing, bearing even date herewith, and there are no representations, warranties, covenants or agreements except as set forth herein and therein. This Agreement supersedes all prior written agreements and all oral, prior and contemporaneous agreements, understandings, negotiations and discussions, of the parties hereto, relating to the subject matter hereof. This Agreement shall not be amended, modified or supplemented at any time unless by a writing executed by all parties hereto.


12. Waiver. All rights, powers and privileges conferred hereunder upon the parties, unless otherwise provided, shall be cumulative and shall not be restricted to those given by law. Failure to exercise any power or right given any party hereunder, or to insist upon strict compliance by any other party hereto shall not constitute a waiver of any party's right to demand exact compliance with the terms hereof, and any waiver shall be in an executed writing so denominated.

13. Reformation/Severability. The parties agree that (i) any of the foregoing provisions be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the provision(s) shall be automatically reformed and/or replaced by any other provision which is as similar as possible in terms to such invalid, void or otherwise unenforceable provisions, but which is valid and enforceable; or (ii) or in the event that they are not reformable, shall be severable. In the event that Texas statutory law in the future restricts either the scope of the geographical area or the term of this and similar agreements to a lesser scope or a lesser time period, this Agreement shall then, ipso facto, be reduced to the lesser scope and maximum term then permitted by Texas statutory law.

14. Execution. 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.


IN WITNESS WHEREOF, the parties have affixed their signatures hereto on the date set forth above.

Tallgrass Broadcasting, LLC




Joseph E. Walker, President

Broadcast Entertainment Corporation



Thomas J. Crane, President

**The Officer, Director and Majority Shareholder of Broadcast Entertainment Corporation,
in his Individual Capacity:**



Thomas J. Crane