

THIRD AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS THIRD AMENDMENT TO ASSET PURCHASE AGREEMENT (“Amendment”) is made and entered into as of this 21st day of January, 2005, by and among:

MBC GRAND BROADCASTING, INC., a corporation organized and operating under the laws of the Commonwealth of Pennsylvania and having an address of 300 East Rock Road, Allentown, Pennsylvania 18103 (the “Buyer”)

and

LEGGETT BROADCASTING, INC., a corporation organized and existing under the laws of the State of Colorado, with principal offices at 2808 North Avenue, Grand Junction, Colorado 81501 (the “Seller”).

BACKGROUND

WHEREAS, the Buyer and the Seller are parties to an Asset Purchase Agreement dated June 30, 2004, as amended (the “Asset Purchase Agreement”), pursuant to which the Buyer agreed to purchase and the Seller agreed to sell Seller’s interest in substantially all of the tangible and intangible assets, licenses and authorizations used in the operation of radio station KSTR(FM) (“KSTR”), located in Grand Junction, Colorado, (collectively, the “Assets”); and

WHEREAS, as part of the Asset Purchase Agreement and in contemplation of FCC approval to transfer Seller’s License to Buyer, Seller and Buyer entered into a Local Programming and Marketing Agreement, in which Buyer will purchase airtime from Seller to broadcast its programs and shall make payments to Seller for the same and shall also reimburse Seller for certain expenses related to the broadcast of its programs; and

WHEREAS, Seller has fallen behind on a number of invoices due to creditors of KSTR; and

WHEREAS, in order to keep the KSTR open and operational so that Buyer can operate under the LMA, Seller has asked for and Buyer has agreed to advance additional sums to the Seller to enable Seller to pay debts that have become past due so that creditors will continue to allow KSTR to operate; and

WHEREAS, the Buyer and the Seller desire to amend the Asset Purchase Agreement to have Buyer extend to Seller a Revolving Credit Loan (“RCL”), as set forth in the RCL attached hereto as Exhibit A and incorporated herein by reference; and

NOW, THEREFORE, intending to be legally bound, the Buyer and Seller hereby agree as follows:

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1. Incorporation of Background. The above section captioned "Background" is incorporated herein by reference as though set forth in full.
2. Definitions. Capitalized terms which are used herein without definition shall have the meanings ascribed to them in the Asset Purchase Agreement.
3. Revolving Credit Loan. Paragraph 3 of the Asset Purchase Agreement shall be amended to read as follows:

"3. Purchase Price. The Purchase Price is Six Hundred Thousand (\$600,000) Dollars, less the amount advanced to Seller by Buyer as set forth in the Revolving Credit Loan (the "RCL"), attached hereto as Schedule 3 and incorporated herein by reference, in cash or immediately available funds as follows."
4. Incorporation of Amendment. All references to the Asset Purchase Agreement in documents delivered to the Seller in connection with the RCL shall be deemed references to the Asset Purchase Agreement as amended herein.
5. Ratification and Confirmation. In all other respects, the Asset Purchase Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered on the day and year first above written.

"BUYER" MBC GRAND BROADCASTING, INC.

By: _____
David Hinson, President

"SELLER" LEGGETT BROADCASTING, INC.

By: 
Bradley E. Leggett, President

AGREEMENT

1. Incorporation of Background. The above section captioned "Background" is incorporated herein by reference as though set forth in full.

2. Definitions. Capitalized terms which are used herein without definition shall have the meanings ascribed to them in the Asset Purchase Agreement.

3. Revolving Credit Loan. Paragraph 3 of the Asset Purchase Agreement shall be amended to read as follows:

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4. Incorporation of Amendment. All references to the Asset Purchase Agreement in documents delivered to the Seller in connection with the RCL shall be deemed references to the Asset Purchase Agreement as amended herein.

5. Ratification and Confirmation. In all other respects, the Asset Purchase Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered on the day and year first above written.

"BUYER" MBC GRAND BROADCASTING, INC.

By: 

David Hinson, President

"SELLER" LEGGETT BROADCASTING, INC.

By: _____

Bradley E. Leggett, President

EXHIBIT A

REVOLVING CREDIT LOAN

LOAN AGREEMENT

THIS LOAN AGREEMENT, made this 21st day of January, 2005, by and between:

MBC GRAND BROADCASTING, INC., a Pennsylvania business corporation, with principal offices at 300 East Rock Road, Allentown, Pennsylvania 18103 ("MBC");

a n d

LEGGETT BROADCASTING, INC., a Colorado business corporation with principal offices at 2808 North Avenue, Grand Junction, Colorado 81501 ("Leggett");

WHEREAS, the parties have entered into an Asset Purchase Agreement dated June 30, 2004, as amended (the "Asset Purchase Agreement"); and

WHEREAS, the parties have amended the Asset Purchase Agreement on January 21st 2005, whereby allowing for the Seller to extend to the Buyer a RCL; and

NOW, THEREFORE, the parties, with the intent to be legally bound, hereby, agree as follows:

1. Revolving Credit Loan. MBC agrees, upon the terms and subject to the conditions herein set forth and in reliance on the representations and warranties herein set forth, to make revolving credit loans (each such loan, and such loans collectively, being hereinafter called the "RCL") from the date hereof until the Closing as set forth in the Asset Purchase Agreement. Each RCL shall be in an amount which, when added to the aggregate principal amount of the RCL then outstanding, will not exceed Fifty Thousand (\$50,000) Dollars, or the amount to which such commitment has been reduced. LEGGETT shall notify MBC of any requested RCL hereunder, which notice shall specify the amount thereof and shall be deemed to be a certification by LEGGETT confirming compliance with the conditions precedent set forth in Section 5 hereof. LEGGETT will use any loans only for the purposes as agreed to for which such RCL was requested by LEGGETT. Anything herein to the contrary notwithstanding, MBC reserves the right to refuse, in its sole and unfettered discretion, at any time and from time to time, to make disbursement of any loan amounts.

2. Revolving Credit Note. At the execution hereof, LEGGETT shall execute a Revolving Credit Note (the "Note") in the form attached hereto as Exhibit "A." The parties hereto shall set forth on the reverse side of the Note the principal amount of each RCL, the creditor to be paid, and the date of the RCL hereunder. Each such notation shall be initialed and dated by the General Manager or President of LEGGETT and by the

President or Chief Financial Officer of MBC, and in the absence of manifest error, be prima facie evidence of the amount outstanding hereunder.

3. Interest. The Borrower further promises to pay to the Lender, interest on the unpaid principal at the rate of seven percent (7%) per annum. This interest shall be payable at Closing as set forth in the Note, or in the event that there is no Closing for any reason, upon demand by MBC.

4. Representations and Warranties of Leggett. LEGGETT represents and warrants, in addition to the representations and warranties set forth in the Asset Purchase Agreement, to MBC as follows:

a. Authorization of Borrowing. The execution, delivery and performance by LEGGETT of this Agreement, the borrowings hereunder, the execution and delivery of the Note and the performance by LEGGETT of all other actions contemplated by this Agreement (i) have been duly authorized by all requisite corporate action, (ii) will not violate (a) any provision of law, any order of any court or other agency of government, the Articles of Incorporation, as amended, or By-laws, as amended, of LEGGETT or (b) any provision of any indenture, agreement or other instrument to which LEGGETT is a party, or by which LEGGETT or any of its properties is bound, and (iii) will not be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any lien upon any of the property or assets of LEGGETT other than in connection with this Agreement.

b. Valid and Binding Obligations. This Agreement and the Note, when duly executed and delivered, will be valid and binding obligations of LEGGETT, enforceable in accordance with their respective terms and provisions, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally.

c. Use of Proceeds. LEGGETT will use all loans only for the purposes as agreed to by MBC as set forth in the request for such loan by LEGGETT.

5. Conditions Precedent. At the time of each borrowing hereunder, LEGGETT shall be in compliance with all the terms and provisions set forth herein on its part to be observed or performed, and no Event of Default (as defined herein) under this Agreement or any other document furnished in connection with this Agreement or referred to in this Agreement (the "Deal Documents"), nor any event which upon notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing at the time of such borrowing or after giving effect to such borrowing.

6. Supplementary Documentation. Leggett shall, promptly, upon the request of MBC execute and deliver or cause to be executed and delivered such further instruments and do or cause to be done further acts as may be necessary or as may be reasonably requested by MBC in connection with the transactions contemplated herein.

7. Events of Default. The occurrence of any one or more of the following shall constitute an event of default ("Event of Default") hereunder:

a. LEGGETT shall fail to pay promptly any interest or principal on the Note when and as due and payable; or

b. LEGGETT shall fail duly to perform, comply with or observe any of the terms, conditions or covenants contained in this Agreement or any other Deal Document and such failure shall continue uncured for more than ten (10) days after notice thereof to LEGGETT by MBC; or

c. Any representation or warranty made in this Agreement or any Deal Document furnished to MBC or its counsel in connection with this Agreement or the borrowings hereunder shall prove to be false, misleading or incorrect in any material respect; or

d. Default shall be made in respect of any agreement or obligation relating to any indebtedness for borrowed money incurred or guaranteed by LEGGETT; or

e. An order, judgment or decree shall be entered, without the application, approval or consent of LEGGETT by any court of competent jurisdiction, approving a petition seeking reorganization of LEGGETT or of all or a substantial part of the properties or assets of LEGGETT or appointing a receiver, trustee, or liquidator of LEGGETT or a receiver or trustee with respect to all or a substantial part of the properties or assets of LEGGETT and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) days; or

f. There is commenced against LEGGETT an action seeking an order, judgment, or decree described in such paragraph (e) above and such action remains undismissed or uncontested for a period of thirty (30) days.

8. Notice. Notice under this Agreement shall be as set forth in the Asset Purchase Agreement.

9. Scope and Survival of Agreement. This Agreement, together with the related instruments and transactions to which reference is expressly made herein, constitutes the entire agreement of the parties and supersedes all prior written and oral agreements and understandings with respect hereto between LEGGETT and MBC. All covenants, agreements, representations and warranties made herein shall survive the making by MBC of the loans herein contemplated and the execution and delivery to MBC of the Note evidencing such loans and shall continue in full force and effect so long as any amount due hereunder is outstanding and unpaid. Whenever in this Agreement reference is made to any of the parties hereto, such reference shall be deemed to include the successors and assignees of such party; and all covenants, promises and agreements by or

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on behalf of LEGGETT which are contained in this Agreement shall inure to the benefit of the successors and assigns of each of MBC; but LEGGETT may not assign or transfer any of its rights and benefits hereunder save with the prior written consent of MBC.

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

11. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its conflicts of laws provisions. The parties hereto agree to attorn to the jurisdiction of the Court of Common Pleas of Berks County, Pennsylvania, or of the United States District Court for the Eastern District of Pennsylvania for the resolution of any controversy or claim arising out of or relating to this Agreement, or the breach thereof.

12. Definitions. Capitalized terms which are used herein without definition shall have the meaning ascribed to them in the Asset Purchase Agreement.

IN WITNESS WHEREOF, MBC and LEGGETT have caused this Agreement to be duly executed by their duly authorized officers, all on the day and year first above written.

ATTEST

MBC GRAND BROADCASTING, INC.

David Hinson, President

ATTEST

LEGGETT BROADCASTING, INC.


Bradley Leggett, President

on behalf of LEGGETT which are contained in this Agreement shall inure to the benefit of the successors and assigns of each of MBC; but LEGGETT may not assign or transfer any of its rights and benefits hereunder save with the prior written consent of MBC.

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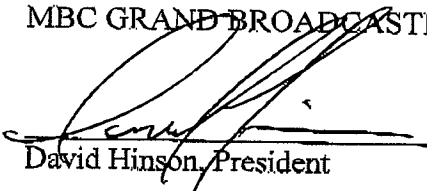
11. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its conflicts of laws provisions. The parties hereto agree to attorn to the jurisdiction of the Court of Common Pleas of Berks County, Pennsylvania, or of the United States District Court for the Eastern District of Pennsylvania for the resolution of any controversy or claim arising out of or relating to this Agreement, or the breach thereof.

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ATTEST

MBC GRAND BROADCASTING, INC.



David Hinson, President

ATTEST

LEGGETT BROADCASTING, INC.

Bradley Leggett, President

EXHIBIT A

REVOLVING CREDIT NOTE

REVOLVING CREDIT NOTE

\$50,000

Grand Junction, Colorado

THIS REVOLVING CREDIT NOTE dated this 21st day of January, 2005 (the "Note") by and between Leggett Broadcasting, Inc., a Colorado corporation with an office at 2808 North Avenue, Grand Junction, Colorado 81501 (the "Borrower") and MBC Grand Broadcasting, Inc., Pennsylvania business corporation with an office at 300 East Rock Road, Allentown, Pennsylvania 18103 (the "Lender").

BACKGROUND

WHEREAS, the parties entered into an Asset Purchase Agreement, as amended, dated June 30, 2004 (the "Asset Purchase Agreement");

WHEREAS, the parties have amended the Asset Purchase Agreement on January 21st, 2005, whereby allowing for the Seller to extend to the Buyer a revolving credit loan evidenced by a Revolving Credit Loan Agreement ("RCL Agreement") bearing even date herewith; and

NOW, THEREFORE, the parties, intending to be legally bound hereby, agree as follows:

AGREEMENT

FOR VALUE RECEIVED, Borrower promises to pay to the order of Lender, the sum of Fifty Thousand (\$50,000) Dollars, in lawful money of the United States of America, or such lesser amounts as shall be outstanding hereunder, together with interest thereon, pursuant to the following terms and conditions:

1. The maximum available principal amount of the Note shall be Fifty Thousand (\$50,000) Dollars.
2. Lender shall subtract from the Purchase Price at Closing, all amounts outstanding under this Note, including principal and accrued interest thereon; provided, however, that in the event the aggregate unpaid principal amount of all advances made by Lender pursuant to the Note and RCL Agreement shall total less than \$50,000, Lender shall subtract from the Purchase Price at Closing only the aggregate unpaid principal amount of such advances plus all accrued and unpaid interest due thereon.
3. Borrower further agrees that the outstanding principal of this Note together with all accrued and unpaid interest and other charges due hereunder shall be due and payable on demand by Lender in the event that Closing does not happen for any reason or upon any Event of Default under this Note or any other document entered into or delivered by Borrower to Lender

or its counsel in connection with this Note or in contemplation of the sale of the Assets of KSTR to Lender (the "Deal Documents").

4. Each payment under this Note shall be paid at Lender's address set forth above, or at such other place as the holder hereof may from time to time designate in writing.

5. If Borrower shall fail to timely pay any payment due under this Note when due, then Lender, at its option, may declare immediately due and payable the entire unpaid balance of principal together with interest accrued thereon; and payment thereof may be enforced and recovered in whole or in part at any time by one or more of the remedies provided to Lender in this Note or which Lender may have at law or in equity. In such case, Lender may also recover all costs of suit and other expenses in connection therewith, together with reasonable attorneys' fees together with interest on any judgment obtained.

6. Borrower shall have the privilege of voluntarily prepaying the entire unpaid principal balance of the indebtedness or any part thereof. All prepayments shall be applied first to any accrued unpaid interest due and owing hereunder as of the date of such prepayments.

7. Lender shall have no continuing obligation to make disbursements hereunder and may, without notice to Borrower, terminate the availability of funds at any time in Lender's sole discretion.

8. This Note shall bind, and the benefits of this Note shall inure to, Borrower and the Lender and their respective heirs, executors, administrators and successors. This Note is personal to Borrower and may not be assigned by Borrower without Lender's prior written consent.

9. Any delay or failure by the Lender to exercise any of its rights or remedies under this Note or the Deal Documents shall not constitute a waiver thereof or prevent the Lender from exercising such right or remedy upon the same or any other default at any time or times. The remedies of the Lender hereunder are cumulative.

10. From time to time, this Note may be extended or renewed in whole or in part. As to any extension or renewal, the rate of interest thereon may be changed or fees in consideration of loan extensions may be imposed and any related right therefor may be waived, exchanged, surrendered, or otherwise dealt with and any of the acts mentioned in this Note may be done, all without affecting the liability of the Borrower, who shall remain liable under this Note. The release of any person liable upon or in respect to this Note shall not release any other person so liable.

11. The invalidity or any portion of this Note shall not affect the remaining portions, or any part thereof, and in the case of any such invalidity this Note shall be construed as if such portion had not been inserted.

12. All notices, consents and other communications required by or given under this Note shall be in writing and shall be given by either (a) hand delivery, (b) first class mail (postage

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prepaid), (c) reliable overnight commercial courier (charges prepaid), or (d) facsimile or telecopy transmission or other means of electronic transmission, if confirmed promptly by any of the methods specified in clauses (a), (b) or (c) of this sentence.

13. The Borrower waives presentment for payment, demand, notice of dishonor, protest, and notice of protest with regard to this Note, as well as all further notice of any kind in connection with the delivery, acceptance, default or enforcement of this Note, and all notice or right of approval of extensions, renewals, modifications or forbearances which may be allowed.

14. This Note shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without reference to conflict of laws principles.

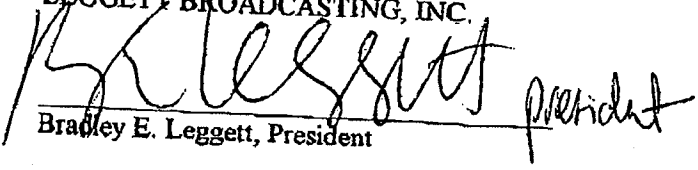
15. Borrower irrevocably agrees and consents to the exclusive jurisdiction of the Courts of Common Pleas for Berks County, Pennsylvania and/or the United States District Court for the Eastern District of Pennsylvania in any and all disputes, actions, or proceedings between Borrower and Lender, arising under this Note. Borrower irrevocably agrees to service by process by certified mail, return receipt requested, to Borrower at its respective address listed in this Note. However, Lender is not precluded from bringing an action against the Borrower in any jurisdiction in the United States or elsewhere in which Borrower or any of its property is located. Borrower agrees not to make any objection in any such action or proceeding that the venue is improper or the forum is inconvenient.

16. It is the intention of the Borrower that this Note shall constitute an instrument under seal.

IN WITNESS WHEREOF, this Note is executed under seal the day and year first above written.

ATTEST

LEGGETT BROADCASTING, INC.


Bradley E. Leggett, President