

AGREEMENT

This Agreement (this "Agreement") is entered into with an Effective Date of _____, 2007 by and between Bill Hooten, an individual residing in Bee County, Texas ("Hooten"); Walter Haenggi, an individual residing in Midland County, Texas ("Haenggi"); Jimmy Martin, an individual residing in Dallas County, Texas ("Martin"); Hooten Broadcasting, Inc., a Texas Corporation ("HBI"); Texas Gulfwest Communications Corporation, a Texas corporation ("TGCC"); and WTH Investments, LLC, a Texas limited liability company ("WTH").

RECITALS

Hooten, Haenggi and Martin together own all of outstanding stock of HBI and TGCC, and Hooten is President of both HBI and TGCC. Haenggi and WTH are creditors of Hooten, HBI and TGCC, and Martin is a creditor of TGCC.

TGCC owns and operates radio station KTKO(FM), 105.7 MHz, Beeville, Texas, Facility ID No. 74442 (the "Beeville Station"), and TGCC is the holder of a license issued by the Federal Communications Commission (the "FCC") for the operation of that station.

On or about April 23, 2004, TGCC sold radio station KLGD(FM), 106.9 MHz, Stamford, Texas, Facility ID No. 78557 (the "Abilene Station") to Elizabeth Nuñez, including transfer of FCC License for operation of that station and transfer of the assets and tower lease for that station, in exchange for the purchaser's promissory note (the "Nuñez Note") payable to TGCC in the amount of \$300,000. Haenggi and WTH have a perfected security interest in the Nuñez Note.

Hooten, HBI and TGCC defaulted on debt owed to Haenggi and WTH, and on April 16, 2007, Haenggi and WTH obtained a judgment jointly and severally against Hooten, HBI and TGCC in Cause No. 06-8-64,625-C, styled *Walter Haenggi and WTH Investments, LLC v. Bill Hooten, Hooten Broadcasting, Inc. and Texas Gulfwest Communications Corporation*, in the 267th District Court of Victoria County, Texas (the "Lawsuit"), in the total amount of \$707,799.07 plus post-judgment interest of 5.00% per year (\$96.9588 per day) (the "Judgment"). The Judgment also provides that Walter Haenggi and WTH are entitled to immediate foreclosure of their security interests in the collateral, including all of the assets of HBI and TGCC, the Nuñez Note, and the stock owned by Bill Hooten in HBI and TGCC.

As of August 31, 2007, Martin claims to be owed \$248,817.61 by TGCC (the "Martin Debt"); such debt has not been repaid.

Hooten, HBI and TGCC wish to satisfy their obligations to Haenggi, WTH and Martin, and Haenggi, WTH and Martin are willing to settle and compromise their respective claims against Hooten, HBI and TGCC upon the terms and provisions hereinafter set forth.

AGREEMENTS

In exchange for the mutual agreements and assurances herein, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

I. Corporate and Stock Transactions

1. Title to Stock. Hooten, Haenggi and Martin each represent and warrant to the others that, as of the date of this Agreement, (i) he is the sole legal and equitable owner and holder of the Stock that he owned on January 8, 2001; (ii) he owns exactly the same interest in the Stock as he owned on January 8, 2001; and (iii) he has not transferred, encumbered, pledged or in any manner granted any other person or entity an interest in the Stock (or any part thereof) that he owned as of January 8, 2001 and that he owns as of the date hereof.

2. Assignment and Transfer of Shares. Hooten hereby TRANSFERS, SELLS and ASSIGNS to Haenggi all of his legal and/or equitable right, title and interest in and to all common stock and/or other equity securities or equity interests of HBI and/or TGCC that Hooten may own or hold (including all warrants, options, or other rights in respect of or relating to any such stock or securities) or be entitled to obtain or acquire (the "Stock").

3. Further Assurances. Hooten will on one or more occasions with or at any time after the date hereof endorse, execute and deliver all such stock certificates, stock powers, assignments, lost certificate affidavits, notices, bonds and/or other instruments or papers as may be requested give effect to or to better evidence the assignment, sale and transfer of the Stock hereby effected.

4. Resignations by Hooten. Hooten hereby resigns as an officer and director of HBI and TGCC, effective as of the Effective Date hereof.

5. Action by Corporate Boards. All of the undersigned parties agree and acknowledge that this Agreement shall constitute the act by unanimous consent of all of the shareholders and all of the directors of both HBI and TGCC to adopt the following resolutions, which are to be entered into the respective corporate record books of the two said corporations, but which shall – regardless of whether or not so entered – nevertheless be effective with respect to each:

(a) **Resolutions – HBI.**

RESOLVED, that the bylaws of HBI be and the same are hereby amended to the extent (if any) that is required to authorize and allow the transactions and actions specified by this Agreement, and that the president or secretary of HBI is hereby instructed and directed to execute, adopt and place in the corporate records of HBI such amended or restated bylaws as shall be necessary to authorize and provide for the acts herein undertaken; and

RESOLVED, that the number of directors of HBI shall be one, and that Walter Haenggi is elected as the sole member of the board of directors of HBI in which capacity he may serve until his successor is elected by the shareholders; and

RESOLVED, that Walter Haenggi is elected as President and Secretary of HBI.

(b) **Resolutions -- TGCC.**

RESOLVED, that the bylaws of TGCC be and the same are hereby amended to the extent (if any) that is required to authorize and allow the transactions and actions specified by this Agreement, and that the president or secretary of TGCC is hereby instructed and directed to execute, adopt and place in the corporate records of TGCC such amended or restated bylaws as shall be necessary to authorize and provide for the acts herein undertaken; and

RESOLVED, that the number of directors of TGCC shall be one, and that Walter Haenggi is elected as the sole member of the board of directors of TGCC in which capacity he may serve until his successor is elected by the shareholders; and

RESOLVED, that Walter Haenggi is elected as President and Secretary of TGCC.

II. Broadcast License; Beeville Station and Abilene Asset

1. Transfers by Individual Associated with Broadcast Licenses. By his signature below, Hooten hereby consents and agrees to take all steps that may be necessary or desirable to (i) effect the end of his individual association, if any, with each and every broadcast license or permit issued or held in favor of HBI and/or TGCC, including all such licenses or permits for the Beeville Station (the "Licenses") and (ii) to cause the FCC to recognize Haenggi as the individual, if any, associated with the Licenses. Hooten further agrees to, upon request at any time after the date hereof, to execute and deliver any and all forms, applications, certificates, transfer requests, or other documents or papers that may be required or helpful in obtaining acknowledgement and recognition by the FCC of the acts described in the preceding sentence of this paragraph. Without limiting his obligations in this regard, Hooten agrees and acknowledges that the FCC may rely on a copy of this Agreement as his authorization and direction to effect a transfer of the individual associated with the Licenses as provided herein.

2. Sale of Beeville Station. It is the intention of TGCC to market and sell the Beeville Station and to realize the best possible price therefor. In this regard, Hooten shall, as the agent of TGCC under the Services Contract (defined below), render services, assistance and cooperation to TGCC's efforts to market and sell the Beeville Station.

3. Realization on the Abilene Asset. As used herein, the term “Abilene Asset” shall refer to the Nunez Note (together with the security for its repayment and all rights and remedies relating to it) and the Abilene Station (including all permits and licenses associated with it), or to either of them, as the context may require. It is the intention of TGCC to negotiate with the maker of the Nunez Note for surrender of the Abilene Station and its broadcast license to TGCC and Walter Haenggi in exchange for forgiveness of all or a part of the Nuñez Note or to otherwise realize upon the Abilene Asset and to obtain the best possible recovery or price for it. In this regard, Hooten shall, as the agent of TGCC under the Services Contract (defined below), render services, assistance and cooperation to TGCC’s efforts to realize upon the value of the Abilene Asset, including examining options for the settlement, sale or collection of the Nuñez Note and/or for the recovery of the Beeville Station and the subsequent resale thereof. All costs of such negotiations or foreclosure will be paid by TGCC to the extent not collected from the maker of the Nuñez Note.

4. Hooten Employment. Hooten’s employment and authority with TGCC is modified in that he agrees and acknowledges that, notwithstanding anything in this Agreement, he shall have no authority to execute documents or in any other fashion bind TGCC or any other party to this Agreement to (i) any proposed sale, lease, time brokerage or other transaction relative to ownership or control of the Beeville Station, (ii) any proposed workout, settlement, sale or other disposition of the Abilene Asset, or (iii) any other contract relating to any such transaction, including but not limited to any listing, brokerage or finder’s fee agreement. All sales, purchase or settlement offers, leases, representation agreements, brokerage agreements, agreements to pay a fee based on the sale, or other agreements affecting a sale, the net proceeds, or the terms of any sale, must be approved in writing by Haenggi. In no event shall Hooten be authorized to cause any person other than Haenggi to be listed by the FCC as the individual whose name is associated with any broadcast license now or hereafter owned by or transferred to TGCC.

5. Warranty Relative to Abilene Asset. Hooten, HBI and TGCC warrant that they have not transferred, encumbered, pledged or in any manner granted any other person or entity an interest in the Nuñez Note, other than Walter Haenggi and WTH.

III. Disposition of Proceeds; Winding Up of Business of Corporations

1. Financial Condition of TGCC and HBI. Hooten, TGCC and HBI represent and warrant to Haenggi, WTH and Martin that:

- (a) The balance sheet attached as Exhibit A to this Agreement is a complete and correct accounting of all of the assets and liabilities of TGCC as of the date of such balance sheet, and there has been no material change in either the amount or composition of any of such assets or liabilities as shown on the balance sheet between the date thereof and the Effective Date. TGCC has no contingent liabilities of any kind except as may be fully described in notes accompanying the attached balance sheet. Except as may be specifically described in notes accompanying the attached balance sheet, none of the liabilities reflected on the attached balance sheet or described

in the accompanying notes is owed to or held by Hooten, HBI or any person affiliated with or related to either of them.

- (b) The balance sheet attached as Exhibit B to this Agreement is a complete and correct accounting of all of the assets and liabilities of HBI as of the date of such balance sheet, and there has been no material change in either the amount or composition of any of such assets or liabilities as shown on the balance sheet between the date thereof and the Effective Date. HBI has no contingent liabilities of any kind except as may be fully described in notes accompanying the attached balance sheet. Except as may be specifically described in notes accompanying the attached balance sheet, none of the liabilities reflected on the attached balance sheet or described in the accompanying notes is owed to or held by Hooten, TGCC or any person affiliated with or related to either of them.

2. Liability to Vestal. Hooten warrants that HBI and TGCC are not liable for any attorney's fees and expenses owed to Richard H. Vestal or any other attorney or for fees and expenses for any person hired on behalf of Bill Hooten, HBI and/or TGCC in the Lawsuit or in negotiation and completion of this Agreement, that all such fees and expenses have been paid or arrangements for payment have been made, and that Hooten will defend and hold harmless HBI and TGCC from any claims for those fees and expenses.

3. Assets of TGCC. Following realization on the Beeville Station and the Abilene Asset, the shareholders of TGCC intend to wind up its affairs, provide for the payment of its just debts, liquidate its assets and distribute any remainder to the shareholders, subject, however, to the provisions of this paragraph. TGCC's proceeds from the realization of the Abilene Asset and the sale of the Beeville Station (as well as the sale or other disposition of any other assets of TGCC) will be applied as follows and in this order:

The first \$700,000 realized will be paid to Haenggi
The next \$150,000 realized will be paid to Martin
The next \$150,000 realized will be paid to Hooten
The next \$100,000 realized will be paid to Haenggi
The next \$50,000 realized will be paid to Martin
The next \$50,000 realized will be paid to Hooten
Any remaining amounts realized will be paid one-third each to Haenggi, Hooten and Martin

4. Assets of HBI. The shareholders of HBI intend to wind up its affairs, provide for the payment of its just debts, liquidate its assets and distribute any remainder to the shareholders.

IV. Satisfaction of Judgment; Releases

1. Upon complete execution of this Agreement and completion of the stock transfers stated above, Haenggi and WTH agree to release the Judgment and any claims they may have against Hooten, Martin, TGCC and/or HBI. Haenggi and WTH will indemnify and hold

harmless Hooten, Martin, TGCC and/or HBI from anyone claiming through Haenggi or WTH based on the Judgment or any claims accruing on or before the Effective Date of this Agreement.

2. Upon complete execution of this Agreement and completion of the stock transfers stated above, Hooten agrees to release any claims he may have against Haenggi, Martin, TGCC and/or HBI. Hooten will indemnify and hold harmless Haenggi, Martin, TGCC and/or HBI from anyone claiming through Hooten based on any claims accruing on or before the Effective Date of this Agreement.

3. Upon complete execution of this Agreement and completion of the stock transfers stated above, Martin agrees to release any claims he may have against Haenggi, Hooten, TGCC and/or HBI. Martin will indemnify and hold harmless Haenggi, Hooten, TGCC and/or HBI from anyone claiming through Martin based on any claims accruing on or before the Effective Date of this Agreement.

4. Haenggi, Hooten, Martin, and WTH agree to promptly execute any documents necessary to effect the releases contained in this section of the Agreement as may reasonably be required.

V. General Agreements and Acknowledgements

1. The parties acknowledge that this Agreement is made according to the laws of the State of Texas and expressly agree that this Agreement is governed by, and will be construed and enforced in accordance with Texas law.

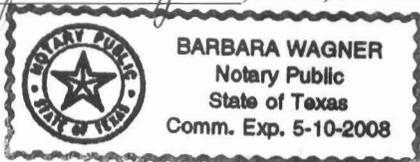
2. This Agreement contains the entire agreement between the parties. It supersedes any and all prior agreements, arrangements, or understandings between the parties on all subjects in any way related to the transaction or occurrence described in this Agreement. No oral understandings, statements, promises, or inducements contrary to or consistent with the terms of this Agreement exist. This Agreement is not subject to any oral modification, waiver, or addition and is subject to modification, waiver, or addition only by means of a writing signed by all parties.

3. This Agreement may be executed in multiple counterparts.

AGREED:

Bill Hooten
Bill Hooten

SUBSCRIBED AND SWORN TO BEFORE ME by Bill Hooten on this the 28th day of January, 2008, to certify which witness my hand and official seal.



Barbara Wagner
Notary Public, State of Texas

Walter Haenggi

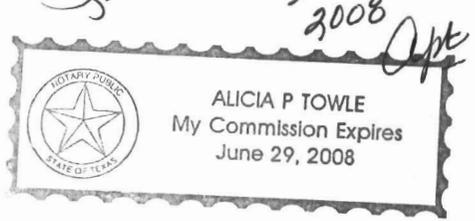
SUBSCRIBED AND SWORN TO BEFORE ME by Walter Haenggi on this the _____ day of _____, 2007, to certify which witness my hand and official seal.

Notary Public, State of Texas

[Signature] 2/16/08

Jimmy Martin

SUBSCRIBED AND SWORN TO BEFORE ME by Jimmy Martin on this the 4 day of Feb., 2007, to certify which witness my hand and official seal.



[Signature]

Notary Public, State of Texas

Texas Gulfwest Communication Corporation
by Bill Hooten, its President

SUBSCRIBED AND SWORN TO BEFORE ME by Bill Hooten, as President of Texas Gulfwest Communication Corporation, on this the _____ day of _____, 2007, to certify which witness my hand and official seal.

Notary Public, State of Texas

Hooten Broadcasting, Inc.
by Bill Hooten, its President

[Handwritten signature]

Walter Haenggi

SUBSCRIBED AND SWORN TO BEFORE ME by Walter Haenggi, Individually, and in his capacity as Member of WTH Investments, LLC, a Texas limited liability company, on this the 11th day of JANUARY, 2008, to certify which witness my hand and official seal.



[Handwritten signature: Shirley J. Parnell]
Notary Public, State of Texas

Jimmy Martin

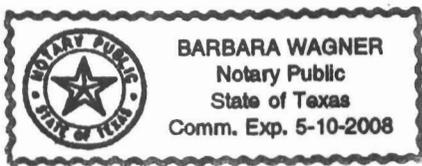
SUBSCRIBED AND SWORN TO BEFORE ME by Jimmy Martin on this the _____ day of _____, 2007, to certify which witness my hand and official seal.

Notary Public, State of Texas

[Handwritten signature: Bill Hooten]

Texas Gulfwest Communication Corporation
by Bill Hooten, its President

SUBSCRIBED AND SWORN TO BEFORE ME by Bill Hooten, as President of Texas Gulfwest Communication Corporation, on this the 28th day of January, 2008, to certify which witness my hand and official seal.

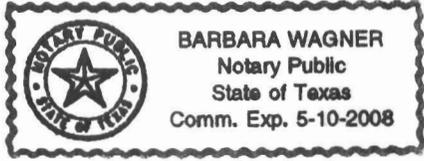


[Handwritten signature: Barbara Wagner]
Notary Public, State of Texas

[Handwritten signature: Bill Hooten]

Hooten Broadcasting, Inc.
by Bill Hooten, its President

SUBSCRIBED AND SWORN TO BEFORE ME by Bill Hooten, as President of Hooten Broadcasting, Inc., on this the 28th day of January, 2007, to certify which witness my hand and official seal.



Barbara Wagner
Notary Public, State of Texas