

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT (the "Confidentiality Agreement") is made as of August __, 2004 by and between Border Media Partners, LLC, a Delaware limited liability company ("Buyer"), on the one hand, and Pecan Radio Partners, Ltd., a Texas limited partnership ("Pecan"); Elgin FM Limited Partnership, a Texas limited partnership ("Elgin"); Nogales Broadcasting, L.C., a Texas limited liability company ("Nogales"); and Dynamic Radio Broadcasting Corp., a Texas corporation ("Dynamic") ("Sellers", and each of Pecan, Elgin, Nogales and Dynamic, individually, a "Seller"), on the other hand.

WITNESSETH

WHEREAS, Pecan, Elgin, Nogales and Dynamic are the respective licensees of, and own certain assets used or held for use in connection with the operation of, radio broadcast stations KFON(AM), Austin, Texas; KKLB(FM), Elgin, Texas; KTXZ(AM), West Lake Hills, Texas; and KELG(AM), Manor Texas (collectively the "Stations") pursuant to certain licenses, permits, authorizations and approvals issued by the Federal Communications Commission (the "FCC");

WHEREAS, subject to the terms and conditions set forth herein, (i) Sellers and Buyer have entered into that certain Asset Purchase Agreement, of even date herewith, relating to substantially all of the assets of the Sellers (the "APA"); and

WHEREAS, in connection with the intended sale and purchase of the Stations, but subject to the provisions of the APA, Sellers and Buyer have agreed to furnish each other with certain confidential information, limited in degree and scope, relating to their business operations and to the operation, management, licensing, promotion, marketing, ideas, inventions or products of Sellers in connection with the Stations; such provision being made in order to allow the parties to conduct their due diligence and to reasonably assess the viability of Buyer's intended purchase; and

WHEREAS, the parties hereto have agreed to review, examine, inspect or obtain such confidential information only for the purposes described above, and to otherwise hold such information confidential pursuant to the terms of this Confidentiality Agreement, and

WHEREAS, this Confidentiality Agreement shall be effective as of the date first written above; and

WHEREAS, the intent of the parties hereto is to provide the highest care and protection of each other's Confidential Information (defined below) not less than if such Confidential Information were its own;

NOW, THEREFORE, Buyer and Sellers, in consideration of the premises, the terms and provisions of this Confidentiality Agreement, the mutual benefit to be gained by the

performance hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. The party receiving Confidential Information (the "Receiving Party") agrees: (i) except with respect to disclosures permitted by this Confidentiality Agreement, to keep the Confidential Information disclosed by the other party (the "Disclosing Party") completely confidential and to take all reasonable precautions to protect the Confidential Information (including, without limitation, all precautions that the Receiving Party employs with respect to its own confidential materials); (ii) not to divulge, publish, disseminate, distribute, disclose, sell, assign or otherwise make use of any Confidential Information to any other person, firm, corporation or entity, except to the Receiving Party's attorneys, accountants, consultants, officers, directors, managers, employees, investment bankers, investors, lenders, or professional advisors, and their respective attorneys (collectively, "Receiving Party Representatives") on a "need to know" basis; and (iii) not to make any use whatsoever at any time of such Confidential Information except to evaluate internally, or to evaluate with the persons set forth in (ii) above, the transaction contemplated by the APA. Each party agrees to indemnify and hold the other harmless in accordance with Article IX of the APA for any loss or damage resulting from the unauthorized disclosure of the Disclosing Party's Confidential Information by the Receiving Party or by any of the Receiving Party Representatives. Subject to the provisions and limitations contained in Article IX of the APA, the Receiving Party shall be fully responsible and liable for any damages occasioned by unauthorized disclosures made by its employees or authorized representatives, to the same extent as if such unauthorized disclosure had been made by one or more of the Receiving Party's principals.
2. The Parties agree that if the APA is terminated without the consummation of the transaction contemplated thereby, then during the remaining term of this Agreement and for a period of one (1) year following the term of this Agreement, Buyer will not use Confidential Information (as defined below) of the Seller in any manner to (a) solicit or encourage any person, firm, corporation or other business entity that is a customer, client, employee, independent contractor, partner, vendor, supplier, distributor, salesperson, business associate or referral source of the Sellers, or who has any business or financial relationship with the Sellers, to cease doing business with, or to in any way change or devalue or malign its business relationship with the Sellers or (b) conduct or attempt to conduct business with vendors or clients of the Seller in an anticompetitive manner that takes advantage of Buyer's possession of such Confidential Information.
3. For purposes of this Confidentiality Agreement, Confidential Information shall mean all information, whether written, electronic or oral, which may be supplied to the Receiving Party, or the Receiving Party Representatives, by the Disclosing Party or any of its agents, representatives or employees, including, without limitation,

operating data, know-how, trade secrets, and any other information relating to the business of either party including, without limitation, business plans, financial information, projections, figures, calculations discoveries, plans of operation, market research, methods of sales and marketing, product research, or engineering data, letters, papers, documents, instruments, drawings, designs or copies thereof, and any other confidential information that is proprietary and confidential to the Disclosing Party that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Confidential Information shall also include the content of this Confidentiality Agreement and the content of any and all discussions between the parties, including any Confidential Information developed in the course of this Confidentiality Agreement. Confidential Information is subject to the terms of this Confidentiality Agreement whether or not any technology or know-how has been patented, copyrighted or trademarked or otherwise registered under any applicable law.

4. Confidential Information shall not be deemed to be in the public domain merely because any part of the Confidential Information is included in the general disclosures or because individual features or components are now publicly known. The provisions of Paragraph 1 of this Confidentiality Agreement shall not apply with respect to any Confidential Information that the Receiving Party can document: (a) is already in the Receiving Party's possession prior to receipt from the Disclosing Party; (b) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or the Receiving Party Representatives; (c) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its advisors, provided that such source is not known to the Receiving Party to be bound by a confidentiality agreement with or other obligation of secrecy to the Disclosing Party or another party; (d) was at the time of disclosure to the Receiving Party disclosed previously in an issued patent or published patent application; or (e) was independently developed without use of any Confidential Information of the Disclosing Party. For purposes of the immediately preceding sentence, the terms "availability," "possession," "disclosure," "development" or "knowledge" of information combined, synthesized or used by the Disclosing Party in a particular manner are meant to incorporate the various pieces of information as they are combined, synthesized or used. Such terms are not meant to include the availability, possession, disclosure, development or knowledge of various pieces of information that are not so combined, synthesized or used. The Receiving Party may make disclosures required by applicable law (including, without limitation, the disclosure requirements of the securities laws of the United States and rules and the rules and regulations of the FCC) or court order, provided that the Receiving Party uses commercially reasonable efforts to notify the Disclosing Party in advance. Such disclosure shall not be a violation of this Agreement. Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or

otherwise in any Confidential Information disclosed.

5. Due to the nature of this Confidentiality Agreement, a violation of its terms by either party might cause irreparable harm to the other party leaving no adequate remedy at law. Therefore, in the case of any anticipated breach of this Confidentiality Agreement, the parties consent in advance to entry of a preliminary injunction, and the Disclosing Party shall be entitled to specific performance and/or other equitable relief granted by a court of competent jurisdiction. The parties further waive any requirement for securing or posting of any bond in connection with any such remedy.
6. This Confidentiality Agreement contains the entire agreement of the parties with respect to its terms, and shall not be modified or cancelled, and none of its provisions shall be deemed waived, unless by a written instrument executed by both parties. In the event that one or more provisions of this Confidentiality Agreement are held to be unenforceable under applicable law, such provisions shall automatically be replaced with one that incorporates the original intent of the parties to the maximum extent permitted by law and the balance of this Confidentiality Agreement shall be enforced in accordance with its terms.
7. This Agreement shall bind the undersigned parties hereto, their corporations, affiliates and trustees, and inure to the benefit of the undersigned parties hereto and their successors, assigns, affiliates, subsidiaries, trustees and parent companies. Each party represents and warrants to the other party that (i) it has the requisite corporate, company or partnership authority to enter into and perform this Confidentiality Agreement, and (ii) its execution and performance under this Confidentiality Agreement, including its disclosure of Confidential Information, will not result in a breach of any obligation to any third party or infringe or otherwise violate any third party's rights. Nothing in this Confidentiality Agreement, express or implied, is intended to confer upon any person other than the parties hereto, their permitted successors or assigns, any rights or remedies under or by reason of this Confidentiality Agreement.
8. Neither Buyer nor Sellers shall transfer or assign this Confidentiality Agreement to any other person or entity, whether by operation of law or otherwise, without the prior written consent of the other party hereto. Any such attempted assignment shall be void and of no effect. This Confidentiality Agreement shall be governed by, enforced under, and construed and interpreted in accordance with the laws of the State of Texas, without reference to conflict of laws principles. [Each party consents to venue and personal jurisdiction in Travis County, Texas.] This Agreement may be signed in multiple copies, each of which shall constitute the same instrument. Once completely executed, any reproduction of this Agreement made by reliable means shall be considered an original.
9. The terms of this Confidentiality Agreement shall expire upon either: (a) the one-year

anniversary of the Closing Date (as that term is defined by the APA); or (b) the one-year anniversary of the date that the APA is terminated in accordance with its terms.

(Rest of page intentionally left blank)

✓
SIGNATURE PAGE TO CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Confidentiality Agreement to be agreed and accepted and duly executed below.

SELLERS:

PECAN RADIO PARTNERS, LTD.

By: 

Its: General Ptn.

ELGIN FM LIMITED PARTNERSHIP

By: 

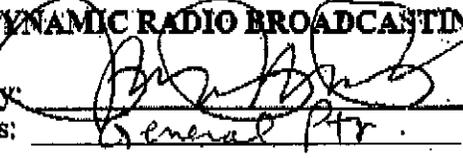
Its: General Ptn.

NOGALES BROADCASTING, L.C.

By: 

Its: General Ptn.

DYNAMIC RADIO BROADCASTING CORP.

By: 

Its: General Ptn.

BUYER:

BORDER MEDIA PARTNERS, LLC

By: _____

Its: _____

SIGNATURE PAGE TO CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Confidentiality Agreement to be agreed and accepted and duly executed below.

SELLERS: PECAN RADIO PARTNERS, LTD.

By: _____
Its: _____

ELGIN FM LIMITED PARTNERSHIP

By: _____
Its: _____

NOGALES BROADCASTING, L.C.

By: _____
Its: _____

DYNAMIC RADIO BROADCASTING CORP.

By: _____
Its: _____

BUYER: BORDER MEDIA PARTNERS, LLC

By: Thomas H. Covert
Its: President