

COORDINATED APPLICATION AGREEMENT

THIS COORDINATED APPLICATION AGREEMENT (the "Agreement") is entered into as of the 2 day of November, 2005 by and between **BORDER MEDIA PARTNERS, LLC**, a Delaware limited liability company ("Border Media") and **BMP SAN ANTONIO LICENSE COMPANY, L.P.**, a Texas limited partnership ("BMP-SA"), on the one hand, and **PEARSALL RADIO WORKS, LTD.**, a Texas limited partnership ("Pearsall"), on the other.

RECITALS

WHEREAS, BMP-SA, an indirect wholly-owned subsidiary of Border Media, is the licensee of radio broadcast station KLEY-FM, Jourdanton, Texas;

WHEREAS, Pearsall is the licensee of radio broadcast station KVWG-FM, Pearsall, Texas;

WHEREAS, both BMP-SA and Pearsall desire to make certain changes to the broadcasting facilities of radio stations KLEY-FM and KVWG-FM, including relocation of the transmitter sites for both stations;

WHEREAS, BMP-SA can only accomplish the relocation of the transmitter site for radio station KLEY-FM if the transmitter site for radio station KVWG-FM also is relocated; and

WHEREAS, the relocation of both radio stations' transmitter sites requires the advance consent of the Federal Communications Commission ("Commission");

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

TERMS

1. Obligations of Pearsall. (a) Pearsall hereby covenants and agrees that, within twenty (20) business days following the execution of this Agreement, it shall promptly prepare and file with the Commission an application seeking a construction permit that would authorize Pearsall either: (1) to relocate the transmitter site for radio station KVWG-FM on Channel 237A from its present location to 28° 53' 23" N; 99° 13' 11" W and to increase its facilities from an effective radiated power ("ERP") of 100 watts and an antenna height above average terrain ("HAAT") of 50 meters to an ERP of 6 kilowatts and an HAAT of 38 meters utilizing a directional antenna system (the "Pearsall Application"); or (2) if the Commission has issued an order amending the FM table of allotments in accordance with the Notice of Proposed Rulemaking adopted on April 2, 2003 in MB Docket No. 03-84 (the "Notice"), then to relocate radio station KVWG-FM

on Channel 237A to Dilley, Texas in accordance with the facilities described in the Notice (the "Pearsall Dilley Relocation Application").

Pearsall further covenants and agrees that it will indicate to the Commission that it desires the Pearsall Application (or the Pearsall Dilley Relocation Application, as the case may be) to be considered contingent with the BMP-SA Application (as defined below) in accordance with Section 73.3517(e) of the Commission's rules.

(b) Pearsall covenants and agrees that, following the date that the Pearsall Application is filed with the Commission, and except as set forth in the last sentence of this Paragraph 1(b), Pearsall will not, without the prior written consent of Border Media, file with or seek from the Commission any modification, replacement, dismissal, withdrawal, or surrender of the Pearsall Application, or take any other action that could prevent or impede the implementation of the changes contemplated by the Pearsall Application, or result in a material adverse effect upon such application. Pearsall shall use commercially reasonable efforts to diligently prosecute and seek the grant of the Pearsall Application before the Commission. In the event that the Commission amends the FM Table of Allotments as set forth in the Notice, Pearsall shall be permitted to withdraw the Pearsall Application so long as it simultaneously submits the Pearsall Dilley Relocation Application, in which case Pearsall shall not, without the prior written consent of Border Media, file with or seek from the Commission any modification, replacement, dismissal, withdrawal, or surrender of the Pearsall Dilley Relocation Application, or take any other action that could prevent or impede the implementation of the changes contemplated by the Pearsall Dilley Relocation Application, or result in a material adverse effect upon such application; and in which case Pearsall shall use commercially reasonable efforts to diligently prosecute and seek the grant of the Pearsall Dilley Relocation Application before the Commission.

(c) Pearsall further covenants and agrees that, if Pearsall submits the Pearsall Dilley Relocation Application at any time during the term of this Agreement, it shall ensure that such application would not preclude or obstruct in any way the Commission's ability to grant the BMP-SA Application (as defined below).

2. Obligations of BMP-SA. (a) BMP-SA hereby covenants and agrees that, within twenty (20) business days following the execution of this Agreement, it shall promptly prepare and file with the Commission an application seeking a construction permit that would authorize BMP-SA to relocate the transmitter site for radio station KLEY-FM on Channel 239C3 from its present location to 28° 54' 57" N; 98° 39' 39" W and to upgrade from Class C3 to Class C2 status on Channel 239 and to decrease its ERP from 12.5 kilowatts to 11 kilowatts and increase its HAAT from 141 meters to 317 meters (the "BMP-SA Application"). BMP-SA further covenants and agrees that it will indicate to the Commission that it desires the BMP-SA Application to be considered contingent with the Pearsall Application (or the Pearsall Dilley Relocation Application, as the case may be) in accordance with Section 73.3517(e) of the Commission's rules.

(b) BMP-SA covenants and agrees that, following the date that the BMP-SA Application is filed with the Commission, BMP-SA will not, without the prior written consent of Pearsall, file with or seek from the Commission any modification, replacement, dismissal, withdrawal, or surrender of the BMP-SA Application, or take any other action that could prevent or impede the implementation of the changes contemplated by the BMP-SA Application, or result in a material adverse effect upon such application. BMP-SA shall use commercially reasonable efforts to diligently prosecute and seek the grant of the BMP-SA Application before the Commission.

(c) BMP-SA covenants and agrees that, following the date on which the Commission grants BMP-SA a construction permit authorizing construction of the facilities proposed in the BMP-SA Application, BMP-SA shall use commercially reasonable efforts promptly to construct the facilities authorized by the construction permit. Following the completion of construction, BMP-SA promptly shall: (i) file a license to cover application seeking a modified license for radio station KLEY-FM in accordance with the construction permit; and (ii) seek written program test authority ("PTA") from the Commission authorizing the commencement of operations by radio station KLEY-FM at its new transmitter site.

3. Coordination. (a) BMP-SA and Pearsall agree that they shall cooperate to designate a mutually acceptable date on which both the BMP-SA Application and the Pearsall Application (or the Pearsall Dilley Relocation Application, as the case may be) shall be filed with the Commission (the "Filing Date"). Such Filing Date shall not occur more than twenty (20) days following the execution of this Agreement.

(b) Prior to the Filing Date, each party shall provide the other with a draft version of the application that it prepares, within ten (10) days following the execution of this Agreement. Both parties agree to use reasonable efforts to take such steps as may be necessary to coordinate the preparation of the applications (including, without limitation, incorporating into the applications the reasonable recommendations of the other party in order to ensure that the applications will be processed by the Commission as contingent applications).

4. Consideration. (a) In exchange for the covenants, agreements and obligations set forth herein, Border Media shall pay to Pearsall the sum of _____ (the "Consideration"); provided, however, that Border Media's obligation to pay the Consideration to Pearsall shall be expressly conditioned on the completion of the Triggering Event (as defined below).

(b) The Triggering Event shall consist of the written grant by the Commission to BMP-SA of PTA authorizing the operation of radio station KLEY-FM in accordance with the facilities specified in the BMP-SA Application.

(c) In the event that the Commission denies or dismisses the BMP-SA Application (other than at the request of BMP-SA), then BMP-SA shall be entitled to a

return of the Deposit (as defined below), and: (i) neither Border Media nor BMP-SA shall have any further obligation to Pearsall whatsoever; (ii) Pearsall shall have no further obligation to Border Media or BMP-SA whatsoever; and (iii) the Note (as defined below) shall be deemed canceled, null and void in all respects.

(d) In the event that the Commission grants construction permits to both BMP-SA and Pearsall authorizing construction of the facilities described in the BMP-SA Application and the Pearsall Application, but refuses to allow BMP-SA to operate radio station KLEY-FM pursuant to PTA from the transmitter site specified in the BMP-SA Application due to Pearsall's operation of radio station KVWG-FM, then the amount of the Consideration shall be reduced by the sum of

(the "Construction Holdback"), and the Adjusted Consideration shall be

In such case, Pearsall and BMP-SA shall cooperate and use commercially reasonable efforts promptly to construct the facilities specified in the Pearsall Application for radio station KVWG-FM. Border Media shall permit Pearsall to draw such sums of money from the Construction Holdback as may be necessary to enable: (X) the construction of the facilities authorized by the construction permit for radio station KVWG-FM; and (Y) following the completion of construction, the filing by Pearsall of a license to cover application seeking a modified license for radio station KVWG-FM in accordance with its construction permit and the commencement of operations of radio station KVWG-FM at its new transmitter site pursuant to PTA (upon providing the Commission with written notification). Any funds from the Construction Holdback not expended in accordance with this paragraph shall be paid to Pearsall, together with the Adjusted Consideration, upon completion of the Triggering Event. Any funds expended above and beyond the amount of the Construction Holdback that are necessary to enable the completion of clauses X and Y of this paragraph shall be the responsibility of Pearsall; provided, however, that Pearsall shall not be obligated to repay to Border Media any funds expended from the Construction Holdback in the event that this Agreement is terminated before the Triggering Event is completed. The parties acknowledge that their intent is to take such reasonable actions as may be necessary to ensure that radio station KLEY-FM is permitted to commence operations with the facilities specified in the BMP-SA Application at the earliest possible time. If, in order to achieve that goal, the parties agree that it would be more expeditious for Pearsall to construct the facilities specified in the Pearsall Dilley Relocation Application (instead of the Pearsall Application), then Pearsall will proceed with the construction of such facilities as promptly as possible. Notwithstanding anything to the contrary contained in this Paragraph 4(d), Pearsall shall not be entitled to use money from the Construction Holdback to construct the facilities specified in the Pearsall Dilley Relocation Application.

5. Escrow Deposit. Border Media will fund an escrow deposit (the "Deposit") with Schoenbaum, Curphy & Scanlan, P.C. (the "Escrow Agent") in the amount of _____, consisting of: (i) cash in the amount of _____; and (ii) Border Media's promissory note, executed on the date hereof, and payable to Pearsall in the amount of _____ (the "Note", such

Note to be in the form attached hereto as Exhibit A. The Deposit shall be held and disbursed in accordance with the terms of an Escrow Agreement between the parties to be executed on the date hereof and attached hereto as Exhibit B. The Deposit shall serve as the source of funds for the Construction Holdback, and Pearsall shall be entitled to draw funds from the Deposit in accordance with the provisions of Paragraph 4(d) of this Agreement. Any interest that accrues on the Deposit shall remain the property of Border Media. The Note shall be deemed canceled, null and void in all respects immediately if this Agreement is terminated in accordance with the provisions of Paragraph 8.

6. Assignment. Pearsall agrees that, in the event that it, or any of its successors or assigns, seeks to assign or transfer the license of radio station KVWG-FM to a third party prior to the completion of the Triggering Event, it shall be an express condition to such assignment or transfer that the assignee or transferee of radio station KVWG-FM agrees to perform Pearsall's obligations under this Agreement, unless it has been earlier terminated. Notwithstanding anything to the contrary herein, nothing in this Agreement shall constitute an encumbrance upon the licenses or assets relating to radio station KVWG-FM, and the provisions of this Paragraph 6 shall not apply, and no obligation hereunder shall be imposed upon the transferee, with respect to the contingent agreements that Pearsall has entered into as of December 30, 2004, with respect to the radio station KVWG-FM (which agreements require Pearsall to transfer the assets and licenses used in connection with radio station KVWG-FM to a third party only upon the Commission's decision to amend the FM Table of Allotments as set forth in the Notice and the occurrence of other contingencies).

7. Remedies. (a) In the event that Pearsall breaches any provision of this Agreement, Border Media and BMP-SA shall be entitled to pursue any and all remedies available at law or in equity, including without limitation (i) the right to compel specific performance by Pearsall of the obligations set forth in this Agreement; and (ii) the right to seek injunctive relief to prevent Pearsall from taking any action in contravention of this Agreement that could prevent or impede the implementation of the changes contemplated by the BMP-SA Application, the Pearsall Application or the Pearsall Dilley Relocation Application, as the case may be. Pearsall acknowledges and agrees that its failure to perform its obligations hereunder will cause substantial damage to Border Media and BMP-SA.

(b) In the event that either Border Media or BMP-SA is in material breach of this Agreement, and if Pearsall is not then in material breach of this Agreement, then Pearsall's sole and exclusive remedy hereunder shall be to terminate this Agreement and receive the Deposit as liquidated damages, it being understood that payment to Pearsall of the Deposit shall constitute full payment for any and all damages suffered by Pearsall under this Agreement.

8. Termination. This Agreement shall terminate: (i) upon the completion of the Triggering Event and the payment by Border Media of the Consideration (or the Adjusted Consideration, as the case may be); (ii) upon a decision by the Commission to deny or dismiss the BMP-SA Application (but only if such denial or dismissal is not

requested by BMP-SA); or (iii) if the Triggering Event remains incomplete as of three (3) years following the date that this Agreement is executed.

9. Representations and Warranties.

(a) Pearsall is a limited partnership, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (as first set forth above). Pearsall has the requisite power to enter into this Agreement and to perform and complete its obligations hereunder. All actions necessary to be taken by or on the part of Pearsall in connection with this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Pearsall and constitutes the legal, valid and binding obligation of Pearsall, enforceable against Pearsall in accordance with its terms.

(b) Border Media is a limited liability company and BMP-SA is a limited partnership; each is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (as first set forth above). Border Media and BMP-SA have the requisite power to enter into this Agreement and to perform and complete their obligations hereunder. All actions necessary to be taken by or on the part of Border Media and BMP-SA in connection with this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Border Media and BMP-SA and constitutes the legal, valid and binding obligation of each of them, enforceable against them in accordance with its terms.

10. Other Provisions.

(a) Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed under and in accordance with the laws of the State of Texas, excluding the choice of law rules thereof. The parties agree that exclusive jurisdiction and venue in any action brought by any party pursuant to this Agreement will properly lie in the United States District Court for the Western District of Texas (San Antonio Division). Each party hereby irrevocably and unconditionally consents to the jurisdiction of any such court and hereby irrevocably and unconditionally waives any defense of any inconvenient forum to the maintenance of any action or proceeding in any such court, any objection to venue with respect to any such action or proceeding and any right of jurisdiction on account of the place of residence or domicile of any party thereto.

(b) Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other instrument or document given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party

hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

(c) Headings and Defined Terms. The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

(d) Severability. In the event that one or more provisions of this 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 the Agreement shall be enforced in accordance with its terms

(e) Counterparts. This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

(f) Attorneys' Fees. In any action brought to enforce or interpret this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.

(g) No Joint Ventures. No provision of this Agreement shall create a joint venture between the parties hereto.

(h) No Third Party Beneficiaries. No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties hereto has executed this Coordinated Application Agreement, or has caused this Coordinated Application Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

BORDER MEDIA PARTNERS, LLC

By: Richard A. Armstrong
Name: RICHARD A. ARMSTRONG
Title: SR. V.P. FINANCE

BMP SAN ANTONIO LICENSE COMPANY, L.P.

By: BMP Gen Par, LLC, its General Partner

By: Richard A. Armstrong
Name: RICHARD A. ARMSTRONG
Title: SR. V.P. FINANCE

PEARSALL RADIO WORKS, LTD.

By: Pearsall Radioworks Business, Inc., its General Partner

By: _____
Name:
Title:

IN WITNESS WHEREOF, each of the parties hereto has executed this Coordinated Application Agreement, or has caused this Coordinated Application Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

BORDER MEDIA PARTNERS, LLC

By: _____
Name:
Title:

BMP SAN ANTONIO LICENSE COMPANY, L.P.

By: BMP Gen Par, LLC, its General Partner

By: _____
Name:
Title:

PEARSALL RADIO WORKS, LTD.

By: Pearsall Radioworks Business, Inc., its General Partner

By: 
Name: JOHN BARBER
Title: PRESIDENT