
SECURITIES PURCHASE AGREEMENT

by and among

SUNBURST MEDIA-LOUISIANA, LLC,

As Seller

JOHN M. BORDERS and DON L. TURNER

As Controlling Members

and

MOMENTUM PLAN I LTD., LLP,

And

ALDUS SUNBURST, INC.,

As Purchasers

July ____, 2006

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SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into in Dallas County, Texas on this the ____ day of July, 2006 by and among SUNBURST MEDIA-LOUISIANA, LLC, a Delaware limited liability company, (the “**Company**”), MOMENTUM PLAN I LTD., LLP, a Texas limited liability limited partnership (“**Momentum**”), ALDUS SUNBURST, INC., a Delaware corporation (“**Aldus**” and collectively with Momentum, the “**Purchasers**” or severally, the “**Purchaser**”), JOHN M. BORDERS, an individual resident of Dallas County, Texas (“**Borders**”), and DON L. TURNER, an individual resident of Dallas County, Texas (“**Turner**”).

WITNESSETH

WHEREAS, the Company was formed on July 28, 2005 in order to facilitate the acquisition and operation of four radio stations in and around Houma, Louisiana;

WHEREAS, on August 8, 2005, the Company entered into an Asset Purchase Agreement with Guaranty Broadcasting of Houma, LLC, a wholly-owned subsidiary of Guaranty Broadcasting Company (the “**Guaranty Purchase Agreement**”);

WHEREAS, pursuant to the terms and conditions of the Guaranty Purchase Agreement, the Company agreed to purchase the following four radio stations: (i) KCIL-FM licensed to Houma, Louisiana and currently programmed with a country format; (ii) KXOR-FM licensed to Thibodaux, Louisiana and currently programmed with a classic rock format; (iii) KBZZ-FM licensed to Morgan City, Louisiana and currently programmed with an adult contemporary format; and KJIN-AM licensed to Houma, Louisiana and currently programmed with a sports program format (collectively, the “**Stations**” and severally, the “**Station**”);

WHEREAS, it is currently anticipated that the closing under the Guaranty Purchase Agreement will occur on or about July 18, 2006 or as soon thereafter as all conditions to closing shall have been satisfied or waived (the “**Guaranty Closing**”);

WHEREAS, in connection with the acquisition and operation of the Stations, the Company desires to raise additional capital by selling Class B Membership Interests in the Company (the “**Class B Interests**”) to Purchasers, which interests in the aggregate will constitute two-thirds of the outstanding membership interest of the Company on a fully diluted basis, subject to modification, if any, as set forth in any agreement executed by the parties hereto at the Closing;

WHEREAS, subject to the terms and conditions set forth herein, the Company desires to sell to Purchasers and Purchasers desire to acquire from the Company, the aforesaid Class B Interests;

WHEREAS, Sunburst Media, Inc., a Delaware corporation is the sole manager of the Company (“**SMI**”) and Borders is the President, Chief Executive Officer and Assistant Secretary of SMI and Turner is the Vice President, Chief Financial Officer, Secretary and Treasurer of SMI;

WHEREAS, Borders and Turner currently own 58.33% and 16.67% of the outstanding membership interests of the Company; and

WHEREAS, due to their respective positions as executive officers and principal equity owners of SMI which is the sole Manager of the Company, Borders and Turner control the Company and are hereinafter referred to sometimes as the “**Controlling Members**”.

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I SALE AND PURCHASE

1.1 Ownership of Membership Interests. The Company has two classes of membership interest, namely, Class A Membership Interests (the “**Class A Interests**”) and Class B Interest, with the principal difference in such classes being that Class A Members have full voting rights and Class B Members have no voting rights. The Company represents and warrants to the Purchasers as of immediately before the execution and delivery of this Agreement that current members of the Company and their respective membership interests in the Company are set forth below:

Name	Class of Member	Percentage Ownership
John M. Borders	Class A	89.09%
Don L. Turner	Class A	<u>10.91%</u>
Total:		100.00%

1.2 Purchase and Sale of Class B Interests. Subject to the terms and conditions set forth herein, the Company agrees to sell a one-third interest in the Company on a fully diluted basis as a Class B Member to each of Momentum and Aldus, and such Purchaser agrees to purchase, at the closing on the Closing Date (as hereinafter defined), such one-third interest in the Company so that immediately following the Closing the ownership of the Company will be as follows:

Name	Class of Member	Percentage Ownership
Borders	Class A	29.69667%
Turner	Class A	3.63667%
Momentum	Class B	33.33333%
Aldus	Class B	<u>33.33333%</u>
Total:		100.00000%

1.3 Purchase Price for Class B Interests. The purchase price to be paid by Momentum and Aldus for their respective one-third interest in the Company (the “**Purchase Price**”) shall be One Million Eight Hundred Thirty Three Thousand Three Hundred Thirty Three and No/100 Dollars (\$1,833,333) each. The Purchase Price shall be paid by each Purchaser directly to the Company’s Lender, on behalf of the Company, in immediately available funds by confirmed wire transfer at the Closing. The Company’s Lender will apply such funds in satisfaction of the Company’s obligations under the Guaranty Purchase Agreement upon the Guaranty Closing with the remaining balance of such funds being remitted to the Company. The Company shall provide the Purchasers wire transfer instructions not less than one business day prior to the Closing Date.

1.4 Application For FCC Consent.

(a) Submission of Application. The Company and each Purchaser agrees to use commercially reasonable efforts and to cooperate with each other in seeking the FCC’s approval of the conversion of the Purchasers’ Class B Interests into Class A Interests as contemplated

hereunder through the preparation, filing and prosecution of an appropriate Change of Control Application with the FCC pertaining to the change of control of the Company arising from the conversion of the Class B Interests acquired by Purchasers hereunder into Class A Interests (the “**Change of Control Application**”). The Change of Control Application shall be filed on a date selected by the Company, with such date being no later than ten business days from the Closing Date of this Agreement (the “**Application Filing Date**”). Upon the Company’s selection of the Application Filing Date, the Company’s counsel shall open the CDBS account with the FCC (the “**CDBS Account**”), and shall inform each Purchaser’s counsel as to the CDBS Account number and password. Within ten business days after the Closing Date of this Agreement, each party shall have prepared its portion of the Change of Control Application and all information, data, exhibits, resolutions, statements and other materials necessary and proper in connection with such Change of Control Application, and shall have delivered it to the Company’s counsel for electronic filing with the FCC. Each party further agrees to prepare Change of Control Application amendments, respond to oral or written inquiries and answer pleadings whenever such documents are required by the FCC or its rules.

(b) **Liability for Filing Fees.** Each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Change of Control Application. The Company shall be responsible for the payment of all filing fees and grant fees imposed by the FCC.

(c) **Notice of Application** The Company shall, at its expense, give due notice of the filing of the Change of Control Application by such means as may be required by the rules and regulations of the FCC.

1.5 Conversion of Class B Interests. Immediately upon the approval of the Change of Control Application by the FCC becoming a final order, the Class B Interests acquired by Purchasers hereunder shall automatically be converted into Class A Interests of like percentage interest so that Momentum and Aldus shall each own a 33.33333% Class A Interests in the Company.

1.6 Closing. Subject to the satisfaction or waiver of the closing conditions set forth in Articles VI and VII hereof, the consummation of the sale and purchase of the Class B Interests provided for in this Agreement (the “**Closing**”) shall take place at the offices of the Company at 300 Crescent Court, Suite 850, Dallas, Texas 75201 at 10:00 a.m., local time, simultaneously with or immediately before the Guaranty Closing; provided that the parties agree to pre close the sale and purchase of the Class B Interests provided for in this Agreement on the day before the Guaranty Closing such that on the day of the Guaranty Closing all that needs to be done is to exchange documents and for each Purchaser to pay the Purchase Price for the membership interest in the Company being acquired by that Purchaser hereunder. The date on which the Closing is to occur is referred to herein as the “**Closing Date**.”

1.7 Due Diligence. At the request of either Purchaser, the Company shall from time to time until the Closing Date give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of such Purchaser: (a) full access during normal business hours to all facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, contracts, records, engineering information, and files of every character, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable of the Company; (b) reasonable access to the Company's employees; and (c) all such other information concerning the affairs of the Company as Purchaser may reasonably request. Any investigation or examination by either or both Purchasers shall not in any way diminish, waive or obviate any representations or warranties of the Company made in this Agreement or in connection herewith; provided that Purchasers will advise the Company if either of their principal partners or officers is aware that any representation or warranty of the Company made herein is inaccurate

in any material respect. The Company shall cause any agent of the Company in possession of the Company's books and records to cooperate with Purchaser's requests for information pursuant to this Agreement.

1.8 Brokerage Fees. There are no brokerage fees, finder fees or related obligations due, or allegedly due, in connection with the transactions contemplated by this Agreement. The Company and Purchasers shall indemnify and hold harmless the other party or parties from and against all loss, cost, damage or expense (including reasonable attorneys' fees) arising from any claims for fees or commissions or other similar fees of brokers employed or alleged to have been employed by such indemnifying party in connection with the transactions covered by this Agreement insofar as such claims shall be based upon alleged arrangements or agreements made by the indemnifying party or on the indemnifying party's behalf. Such indemnities shall survive the Closing or any termination of the Agreement and shall not be merged therein.

1.9 Costs of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows:

(a) The Company will pay the fees, expenses, and disbursements of the Company and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto; and

(b) Subject to the provisions of Section 1.9(c) below, Purchaser shall pay the fees, expenses and disbursements of Purchaser and its agents, representatives, accountants and counsel incurred in connection with the subject matter hereof and any amendments hereto; and

(c) In the event the transactions contemplated by this Agreement are consummated, the Company shall pay Momentum the sum of Fifty-Five Thousand and No/100 Dollars (\$55,000) to help Momentum defray the legal, accounting and other expenses that it incurred on behalf of itself and Aldus in connection with the transactions contemplated by this Agreement. Such amount shall be paid by the Company to Momentum at the Closing by confirmed wire transfer in immediately available funds.

1.10 Release by Controlling Members. Each Controlling Member, with the intent of binding such member and such member's heirs, executors, personal representatives, successors and assigns, hereby unconditionally releases, acquits and forever discharges the Company and its successors, assigns, officers, members and managers from any and all claims, demands, actions or causes of action, debts, sums of money, covenants, contracts, controversies, agreements, promises, damages, or any other claim or demand whatsoever of whatever kind, character and description, whether based on facts presently known or hereafter discovered, whether based upon statutory law or common law, whether in contract, administrative or tort, whether liquidated or unliquidated, matured or unmatured, which has accrued or which may ever accrue to such member and such member's heirs, executors, personal representatives, successors and assigns for and on account of any matter, cause or thing arising at any time prior to the Closing that relates to or otherwise concerns (i) non-compliance with Applicable Laws in connection with the issuance of such Controlling Member's ownership of the membership interests of the Company, (ii) the employment of such Controlling Member by the Company (except as to compensation and benefits earned and accrued but unpaid) or (iii) the operation, acts or inactions of the Company and its officers and managers. Each Controlling Member represents and warrants to the Company and Purchasers that such member has not assigned or otherwise transferred any claim, demand, action or cause of action, damage or any other claim or demand whatsoever released by such member pursuant to this Section or any interest in or portion of any such claim.

Each Controlling Member agrees and covenants that in no event will such member commence any litigation or other legal or administrative proceeding against the Company or Purchasers and their respective successors, assigns, officers, members and managers, whether in law or equity, whether in contract, administrative, or tort, relating to any and all claims, demands, actions, causes of action, debts, sums of money, covenants, contracts, controversies, agreements, promises, damages or any other claim or demand whatsoever, known and unknown, suspected and unsuspected, disclosed and undisclosed, for damages, actual or consequential, past, present and future, arising at any time prior to the Closing that relates to or otherwise concerns (i) non-compliance with Applicable Laws in connection with the issuance of such Controlling Member's ownership of the membership interests of the Company, (ii) the employment of such Controlling Member by the Company (except as to compensation and benefits earned and accrued but unpaid) or (iii) the operation, acts or inactions of the Company and its officers and managers.

1.11 Certain Defined Terms As used in this Agreement, each of the following terms has the meaning given it below:

"Affiliate" means a Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or under common control with, the Person specified. For purposes of this definition, the term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to cause the direction of the management and policies of a Person, whether through ownership of voting securities or otherwise.

"Ancillary Documents" means each agreement, instrument, and document (other than this Agreement") executed or to be executed by the Company or Purchasers in connection with the transactions contemplated by this Agreement.

"Applicable Law" means any statute, law, rule, or regulation or any judgment, order, writ, injunction, or decree of any Governmental Entity to which a specified Person or property is subject.

"Encumbrances" means any lien, mortgage, pledge, reservation, restriction, security interest, right of first refusal, option, warrant, conditional sale agreement, default of title, easement, encroachment, hypothecation, infringement, title retention or other security arrangement, right of rescission, or any adverse right or interest, charge, claim or other encumbrance of any nature whatsoever of, on, or with respect to any property or property interest whether imposed by law, agreement, understanding or otherwise and whether or not perfected that is not normally inherent in the nature of, or normally characteristic of, the asset or property in question.

"Governmental Entity" means any court or tribunal in any jurisdiction (domestic or foreign) or any federal, state, municipal, or other governmental body, agency, authority, department, commission, board, bureau, or instrumentality (domestic or foreign, federal or state).

"Material Adverse Effect" means a material adverse effect on the following, when taken together as a whole: (i) the business, assets (including, without limitation, the radio stations owned or operated by the Company), results of operations, condition (financial or otherwise), or operation of the Company or any material portion thereof in the amount of \$100,000 or more, or (ii) on the ability of a party to perform on a timely basis any material obligations of such party under this Agreement.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, enterprise, unincorporated organization, Governmental Entity, or other legal entity.

“Proceedings” means all proceedings, actions, claims, suits, investigations and inquiries by or before any arbitrator or Governmental Entity.

“Taxes” means any income taxes or similar assessments or any sales, excise, occupation, use, ad valorem, property, production, transportation, employment, payroll, franchise, or other tax imposed by any United States federal, state, or local taxing authority, including any interest, penalties, or additions attributable thereto.

“Tax Return” means any return or report, including any related or supporting information, with respect to Taxes.

“To the knowledge” of a specified Person (or similar references to a Person’s knowledge) means that the only information to be attributed to such Person is information actually known to such Person and such additional knowledge, information, or facts as a reasonably diligent investigation with respect to the subject matter referenced thereto would discover when such an investigation is warranted under the circumstances. Notwithstanding the foregoing, there will be no requirement for any such Person to search public records to determine the existence or non-existence of matters not already within such Person’s actual knowledge.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND CONTROLLING MEMBERS

The Company and the Controlling Members represent and warrant to Purchasers as follows, such representations and warranties being accurate as of the date of this Agreement. As of the Closing Date, such representations and warranties shall be made again in accordance with Section 7.1 of this Agreement.

2.1 Organization and Standing. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware. Copies of the Company’s Certificate of Formation and the Regulations and all amendments thereto (the **“Organizational Documents”**) have been delivered to Purchasers, and are complete and correct as of the date of this Agreement and are the current documents governing the organization and operation of the Company and the relationship among its members after taking into account the transactions contemplated by this Agreement. The Company is duly qualified as a foreign limited liability company in good standing in each jurisdiction in which the nature of its activities or its properties owned or leased makes such qualification necessary.

2.2 Subsidiaries. The Company has no subsidiaries.

2.3 Capitalization and Duly Authorized Membership Interest. The members of the Company and their respective membership interest in the Company immediately prior to the Closing will be, as set forth in Section 1.1 hereof. All such membership interests have been validly issued and are fully paid and nonassessable. Borders has paid an aggregate of One Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Four and No/100 Dollars (\$1,633,334) for his membership interest in the Company, and Turner has paid an aggregate of Two Hundred Thousand and No/100 Dollars (\$200,000) for his membership interest in the Company. The Company has no outstanding subscriptions, contracts, options, warrants, or other obligations to issue, sell, or otherwise dispose of, or to purchase, redeem or otherwise acquire any of its membership interests. The Class B Interests being purchased from the Company by Purchasers pursuant to this Agreement are duly authorized and when issued will be validly issued and outstanding, fully paid and nonassessable. Upon conversion of the Class B Interests to Class

A Interests upon FCC consent to the Change of Control Application becoming a final order, such Class A Interests will be validly issued, fully paid and non assessable and the Controlling Members will vote their membership interest so as to admit Purchasers as Class A Members of the Company. Upon issuance of the Class B Interests to Purchaser, the Company shall have transferred to such Purchaser good and valid title to the Class B Interests, free and clear of all Encumbrances (other than (i) restrictions imposed upon the transfer of unregistered securities by applicable securities law, (ii) restrictions, if any, imposed under the Organizational Documents of the Company, (iii) restrictions imposed under any member, buy-sell, or similar agreement to which Purchaser is a party, and (iv) liens granted by Purchasers to Wells Fargo Foothill, Inc., the Company's senior secured lender in connection with financings to acquire the Stations, (the "**Company's Lender**").

2.4 Authority. The Company has full right and authority to sell, issue and transfer the Class B Interests to Purchasers in accordance with the terms and provisions of this Agreement. All actions necessary to be taken by or on the part of the Company in connection with the transactions contemplated by this Agreement, including the approval of the current members of the Company to the sale and issuance of the Class B Interests and the admission of Purchasers as members of the Company, have been duly and validly taken, or will be duly and validly taken on or prior to the Closing Date, and this Agreement has been duly and validly authorized, executed, and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, but subject in each case to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights and to general equity principles.

2.5 Noncontravention. The execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to which the Company is a party and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (i) conflict with or result in a violation of any provision of the Organizational Documents of the Company, (ii) conflict with or result in a violation of any provision of, or constitute (with or without the giving of notice or the passage of time or both) a default under, or give rise (with or without the giving of notice or the passage of time or both) to any right of termination, cancellation or acceleration under, or require any consent, approval, authorization or waiver of, or notice to, any party to, any material bond, debenture, note, mortgage, indenture, lease, contract, agreement or other instrument or obligation to which the Company is a party or by which the Company may be bound or any permit held by the Company, (iii) result in the creation or imposition of any Encumbrance upon any of the Company's assets, or (iv) assuming compliance with the matters referred to in Section 2.6, violate any Applicable Law binding upon the Company, except, in the case of clauses (ii) and (iv) above, for any such conflicts, violations, defaults, terminations, cancellations or accelerations which would not, individually or in the aggregate, have a Material Adverse Effect on the Company, and except, in the case of clause (ii) above, for such consents, approvals, authorizations and waivers that have been obtained and are unconditional and in full force and effect and such notices that have been duly given.

2.6 Governmental Approvals. Other than filings with and the grant of FCC consent to the Change of Control Application, no consent, approval, order or authorization of, or declaration, filing or registration with, any Governmental Entity is required to be obtained or made by the Company in connection with the execution, delivery or performance by the Company of this Agreement and the Ancillary Documents to which the Company is a party or the consummation by the Company of the transactions contemplated hereby or thereby, other than (i) filings with Governmental Entities to occur in the ordinary course following the Closing; and (ii) such consents, approvals, orders or authorizations which, if not obtained, and such declarations, filings or registrations which, if not made, would not, individually or in the aggregate, have a Material Adverse Effect on the Company or the Stations.

2.7 Financial Statements. The Company has furnished Purchasers with an unaudited interim balance sheet dated May 31, 2006 (the “**Interim Balance Sheet**”) and the related unaudited statement of operations, members equity, and cash flow for the five (5) month period ended May 31, 2006. The foregoing unaudited interim statements were prepared by the Chief Financial Officer of the Company. These financial statements are in accordance with the books and records of the Company, fairly present the financial condition of the Company at the dates mentioned, and the results of its operations for the periods specified and reflect adequate reserves for all reasonably anticipated losses and costs in excess of anticipated income. The Interim Balance Sheet discloses all of the debts, liabilities and obligations of any nature required to be set forth therein under generally accepted accounting principles (whether absolute, accrued, contingent, or otherwise, and whether due or to become due) of the Company at the date of the Interim Balance Sheet. The Interim Balance Sheet includes appropriate reserves for all taxes and other liabilities accrued or due at such dates but not yet then payable.

2.8 Absence of Undisclosed Liabilities. Except to the extent reflected or reserved against in the Interim Balance Sheet, the Company as of the date of the Interim Balance Sheet had no liabilities of any nature, whether accrued, absolute, contingent, or otherwise, required to be set forth on a balance sheet under generally accepted accounting principles including, without limitation, tax liabilities due or to become due, and whether incurred in respect of or measured by the Company’s income from any period prior to the date of the Interim Balance Sheet, or arising out of transactions entered into, or any stated facts existing prior thereto.

2.9 Absence of Certain Changes. Since the date of the Interim Balance Sheet, there has not been (i) any change or any event or condition that has had a Material Adverse Effect, (ii) any damage, destruction, or loss, whether or not covered by insurance, which has had a Material Adverse Effect on the Company’s property or business; (iii) the declaration, or setting aside or payment of any dividends or other distribution respect of the Company’s membership’s interests or any direct or indirect redemption, purchase, or other acquisition of any said membership interests; (iv) any increase in the compensation payable or to become payable by the Company of any of its officers, employees or agents, or any bonus payment or arrangement made to or with any of them; (v) any labor trouble, employee turnover, or any event or any condition of any character materially or adversely affecting the business or prospects of the Company or the Stations being acquired by the Company.

2.10 Title to Property. The Company has good and valid title to all of its properties and assets, real and personal, including those reflected in the Interim Balance Sheet (except as since sold or otherwise disposed of in the ordinary course of business), and, effective as of the Guaranty Closing, the Company will have acquired title to all of the assets acquired by the Company under the Guaranty Purchase Agreement in accordance with the terms and conditions of the Guaranty Purchase Agreement.

2.11 Licenses. As of the Guaranty Closing, the Company will be the holder of the FCC authorizations listed and described on Schedule 2.1(a) to the Guaranty Purchase Agreement (the “**FCC Authorizations**”). Complete copies of the FCC Authorizations have been delivered to Purchasers. Such FCC Authorizations constitute all of the material licenses, authorizations and approvals required under the Communications Act of 1934, as amended (the “**Communications Act**”), and the rules, regulations and published decisions and published policies of the FCC (collectively with the Communications Act, the “**FCC Rules**”) for and used or held for use in connection with the operation of the Stations. Other than the FCC consent to the Change of Control Application, no additional order or grant is required from the FCC in order to convert the Class B Interests acquired by the Purchasers hereunder into Class A Interests as contemplated by this Agreement. As of the Closing Date, the FCC Authorizations will be validly issued and in full force and effect. The FCC Authorizations have not been revoked, suspended, canceled, rescinded or terminated and have not expired and the Company has no reason to believe that the FCC Authorizations will not be renewed in the ordinary course. The expiration dates for the FCC

Authorizations are listed on Schedule 2.1(a) to the Guaranty Purchase Agreement. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify materially any of the FCC Authorizations (other than proceedings of general applicability to the radio broadcast industry), and there is not now issued or outstanding or pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Company with respect to the Stations. The Company shall notify Purchasers in writing of any such action, order, notice or complaint and the Company will take all reasonable measures to contest in good faith or seek removal or rescission of any such action, order, notice or complaint. The Stations are operating at their licensed power levels and antenna heights and the Stations are in compliance with the FCC Authorizations and the FCC Rules. The Company has all other authorization and licenses from Governmental Entities necessary to conduct its business as currently conducted other than such authorizations and licenses which, if not held by the Company, would not, individually or in the aggregate, have a Material Adverse Effect on the Company or the Stations.

2.12 Ownership and Operation of the Stations. Effective as of the Guaranty Closing, the Company will be the owner of the Stations and will have all FCC Authorizations necessary to operate the Stations in compliance with all FCC Rules. Following the Guaranty Closing, no entity other than the Company will have a direct or indirect ownership interest in the Stations, other than the indirect ownership interest in the Stations by the members of the Company.

2.13 Absence of Litigation. There are not any Proceedings pending, or to the Company's knowledge threatened against or relating to the Company or its properties or business, nor does the Company know or have reasonable grounds to know of any basis for any such Proceedings.

2.14 Indebtedness. The Company has delivered to Purchaser true copies of current drafts of all instruments relating to the Company's indebtedness for borrowed money and the Company is not in any default or violation of any provision of such indebtedness.

2.15 Tax Returns and Audits. The Company has duly and timely filed all Tax Returns required to be filed by and has paid all Taxes required to be paid with respect to the periods covered by such returns; after taking into account all timely filed and approved extensions for the filing of such Tax Returns. The Company has not had any tax deficiencies proposed or assessed against it, and has not executed any waiver of the statute of limitations on the assessment or collection of any Tax.

2.16 Compliance with Law and Agreements. The Company has complied in all material respects with all Applicable Laws relating to the ownership or operation of the Company (including without limitation Applicable Laws relating to properties, advertising and sales practices, employment practices, terms and conditions of employment, wages and hours, safety, occupational safety, health, environmental protection and civil rights) and all agreements by which the Company or any of its assets are bound, except for noncompliance with such Applicable Laws or agreements which, individually or in the aggregate, does not and will not have a Material Adverse Effect on the Company or its assets, and the Company has not received any written notice, which has not been dismissed or otherwise disposed of, that the Company has not so complied. The Company is not charged or, to the knowledge of the Company, threatened with, or, to the knowledge of the Company, under investigation with respect to, any violation of any Applicable Law relating to any aspect of the ownership or operation of the Company, other than violations which, individually or in the aggregate, do not and will not have a Material Adverse Effect on the Company or its assets.

2.17 No Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the transactions which are the subject of this Agreement, or action by, the Company.

2.18 Employee Matters. The Company is in compliance with all Applicable Laws relating to employment. There are no collective bargaining agreements. The Company has a written employment agreement with Danny Fletcher pursuant to which Mr. Fletcher may earn a net profits interests payable upon the sale of the Stations. Reference is hereby made to Mr. Fletcher's employment agreement for all purposes. Except for Mr. Fletcher's employment agreement, there are no written employment agreements between the Company and any of its employees. The consummation of the transactions which are the subject of this Agreement will not cause the Company to incur substantive liability relating to, or obligation to pay, severance, termination, or other payments to the Company employees or their heirs, assigns, or beneficiaries arising out of the employment by the Company, or any liability under any employee benefit plan for any period in which the Company's employees were employed by the Company except as otherwise referenced in this Agreement.

2.19 Use of Proceeds. The proceeds from the sale of the Class B Interests will be used by the Company to help fund the payment of the purchase price of the Stations being acquired by the Company pursuant to the Guaranty Purchase Agreement and for working capital.

2.20 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement, voluntary or involuntary, affecting the Company is pending or, to the Company's knowledge, threatened.

2.21 Disclosure. No representation or warranty by the Company in this Agreement, nor any factual information, statement or certificate furnished or to be furnished to Purchasers or either of them pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statements of any material fact, or omit or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. The Company will disclose to Purchasers any fact known to the Company which the Company knew or has reason to believe will have a Material Adverse Effect on the Company or that could prevent the Company's consummation of this Agreement. The Company knows of no matter which has not been disclosed to Purchasers pursuant to this Agreement which has or, so far as the Company can now reasonably foresee, will have a Material Adverse Effect on the Company or the Stations.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Each Purchaser (and in the case of Aldus, also Erasmus) represents and warrants to the Company as to itself but not as to the other Purchaser as follows:

3.1 Status. Momentum is a limited liability limited partnership duly formed, and validly existing under the laws of the State of Texas. Momentum was not formed for the purposes of purchasing the Class B Interests hereunder and has other substantial and material assets and properties other than for the Class B Interests to be acquired hereunder. Aldus is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware. Aldus is a wholly owned subsidiary of Erasmus Louisiana Growth Fund, LP, a Delaware limited partnership ("Erasmus") that was formed at the direction of Erasmus for the sole purpose of purchasing the Class B Interests hereunder and has no other substantial and material assets and properties other than for the Class B Interests to be acquired hereunder.

3.2 No Conflicts. The execution, delivery and performance of this Agreement and the consummation of the transactions will not (a) conflict with or violate the organizational documents of either Purchaser; (b) conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract to which

either Purchaser is a party or by which it is bound; or (c) violate any judgment, decree, order, statute, law, rule or regulation applicable to either Purchaser.

3.3 Authority. Purchaser has the requisite limited partnership or corporate, as the case may be, power and authority to execute and comply with the terms of this Agreement and to consummate the transactions contemplated hereby. All actions necessary to be taken by or on the part of Purchaser in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with and subject to its terms, but subject in each case to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights and to general equity principles.

3.4 Government Approvals. Other than filings with and the grant of FCC consent to the Change of Control Application, no consent, approval, order, or authorization of or declaration, filing or registration with, any Governmental Entity is required to be obtained or made by Purchaser in connection with the execution, delivery or performance by Purchaser of this Agreement and the Ancillary Documents to which it is a party or the consummation by it of the transactions contemplated hereby or thereby, other than (i) filings with Governmental Entities to occur in the ordinary course following the consummation of the transactions contemplated hereby; and (ii) such consents, approvals, orders or authorizations which, if not obtained, and such declarations, filings or registrations which, if not made, would not, individually or in the aggregate, have a Material Adverse Effect on Purchaser.

3.5 Absence of Litigation. There are not any Proceedings pending, or to Purchaser's knowledge, threatened, against, affecting or involving Purchaser, or the transactions contemplated by this Agreement, before or by any court, arbitrator or other governmental authority that could reasonably be expected to have a materially adverse effect on the business or operations of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement, and Purchaser is not operating under or subject to an order, award, judgment, writ, decree, determination or injunction of any court, arbitrator or governmental authority.

3.6 Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the transactions which are the subject of this Agreement, or action taken by, Purchaser.

3.7 Ability to Evaluate Risks of Investment. Purchaser (and in the case of Aldus, also Erasmus) has such knowledge and experience in financial and business matters that Purchaser (and in the case of Aldus, also Erasmus) is capable of evaluating the merits and risks of an investment in the Company. Purchaser represents that Purchaser (but in the case of Aldus, Erasmus) has made other investments of a similar nature and, by reason of the business and financial experience of Purchaser (and in the case of Aldus, also Erasmus) and the business and financial experience of those persons, if any, Purchaser (and in the case of Aldus, also Erasmus) has retained to advise Purchaser (and in the case of Aldus, also Erasmus) with respect to Purchaser's investment in the Company, Purchaser (and in the case of Aldus, also Erasmus) has acquired the capacity to protect Purchaser's own interest in investments of this nature. In reaching the conclusion that Purchaser desires to acquire the Class B Interests, Purchaser (and in the case of Aldus, also Erasmus) has carefully evaluated the financial resources and investment position of the Purchaser (and in the case of Aldus, also Erasmus) and the risks associated with this investment and acknowledges that Purchaser (and in the case of Aldus, also Erasmus) is able to bear the economic risks of the investment in the Company.

3.8 Financial Condition of Purchaser. Purchaser (and in the case of Aldus, also Erasmus) has a financial condition such that Purchaser (and in the case of Aldus, also Erasmus) has adequate means of providing for all other reasonably foreseeable contingencies, and Purchaser (and in the case of Aldus, also Erasmus) has no need, and anticipates no need in the foreseeable future, to dispose of any portion of the Class B Interests to satisfy any existing or contemplated undertaking or indebtedness. Purchaser (and in the case of Aldus, also Erasmus) is able to bear the economic risk of an investment in the Class B Interests, and, consequently, without limiting the generality of the foregoing, Purchaser is able to hold the Class B Interests for an indefinite period of time and has a sufficient net worth to sustain a loss of part or all of Purchaser's investment in the Company if such loss should occur.

3.9 No Registration. Purchaser understands that (i) the Class B Interests, and the Class A interests into which the Class B Interests are convertible, have not been registered under the Act, in reliance upon the exemptions from the registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Act") and Rule 506 of Regulation D promulgated thereunder, (ii) that the Class A Interests and the Class B Interests have not been registered under any blue sky or state securities laws and (iii) Purchaser must bear the economic risk of the investment for an indefinite period of time since the Class A Interests and the Class B Interests cannot be sold, transferred or assigned to any person or entity without compliance with the provisions of the Act and applicable state blue sky or securities laws.

3.10 Accredited Investor Status. Purchaser (and in the case of Aldus, also Erasmus) is an "accredited investor" as that term is used for purposes of Rule 506 of Regulation D promulgated under the Act.

3.11 Access to Information. Purchaser (and in the case of Aldus, also Erasmus) has had access to all documents, contracts, data, financial data, books, records and any other information regarding the Company and the Stations and the business and prospects of the Company and the Stations that Purchaser has requested. Purchaser (and in the case of Aldus, also Erasmus) has had all of its questions regarding the Company and the Stations and the business and prospects of the Company and the Stations answered to its satisfaction and Purchaser (and in the case of Aldus, also Erasmus) has had the opportunity to obtain additional information about the business and financial condition of the Company and the Stations to verify the accuracy of the information contained or referred to in this Agreement and which the Company possesses or can reasonably obtain without the expenditure of undue time or expense, which additional information has been timely and satisfactorily received.

3.12 Purchase for Investment. The Class B Interests are being acquired by Purchaser for investment purposes only, for Purchaser's own account, and not with a view toward resale or other distribution thereof, and Purchaser is not participating, directly or indirectly, in any underwriting or other such undertaking in connection therewith. The Class B Interests will not be sold or transferred by Purchaser in violation of the Act or any state securities law. Purchaser does not have any present or contemplated agreement or commitment providing for or which is likely to compel the disposition of the Class B Interests without registration of such Interests and compliance with all Applicable Law.

ARTICLE IV COVENANTS OF THE COMPANY

4.1 Conduct of Business of the Company Pending Closing. The Company covenants and agrees that from the date hereof until the completion of the Closing:

- (a) The Company's business will be conducted only in the ordinary course;

(b) No change will be made to the Organizational Documents, except as may be first approved in writing by Purchasers;

(c) No change will be made in the Company's membership interests, except that Borders may purchase the membership interest currently owned by Thomas P. Gammon and convert such interest to a Class A Interests as provided in Section 1.1 and Borders and Turner may adjust their Class A Interests as provided in Section 1.1;

(d) No distribution or payment will be declared or made in respect to the Company's membership interests;

(e) No increase will be made in the compensation payable or to become payable by the Company to any officer, employee or agents, nor any bonus payment or arrangement or other benefits to be paid by the Company to or with any officer, employee, or agent;

(f) No contract or commitment will be entered into by or on behalf of the Company other than in the ordinary course of business or pertaining to the consummation of the transactions contemplated by the Guaranty Purchase Agreement;

(g) No change will be made affecting the personnel, compensation payments, or banking arrangements of the Company other than in the ordinary course of business without Purchasers' prior written approval;

(h) Except as otherwise requested by Purchasers, the Company shall use its best efforts to preserve the Company's business organization intact; to keep available to the Company the services of its present officers and employees; and to preserve for the Company the goodwill of its customers and other business relationships of the Company;

(i) All debts of the Company will be paid as they become due;

(j) No contract right of the Company will be waived except that the Company may waive such conditions to the Guaranty Closing as Borders and Turner, with the prior written consent of Purchasers which will not be unreasonably withheld, conditioned or delayed, deem necessary, advisable or appropriate; provided that Purchasers hereby consent to (i) the Company's waiver of obtaining the third party consents to the assignment of the vendor contracts of the Stations in connection with the Guaranty Closing, and (ii) the timing of state level certificates and lien searches in relationship to the date of the Guaranty Closing;

(k) No obligation except current liabilities under contracts entered into in the ordinary course of business will be incurred; and

(l) The Company shall not sell, assign, lease or otherwise transfer or dispose of the assets of the Company other than in the ordinary course of business, or merge or consolidate the Company with or into any other entity, or issue any additional membership interests or enter into any contracts relating thereto.

4.2 Insurance. Upon consummation of the transactions contemplated by the Guaranty Purchase Agreement, the Company shall obtain (or shall have obtained) and maintain in full force and effect, policies of insurance with respect to the Company's assets, including the Stations, against such casualties and contingencies of such types and in such amounts as are customary in the radio industry.

4.3 Notification. Between the date of this Agreement and the Closing upon receiving or learning of any violation, order to show cause, notice of violation, notice of apparent liability, forfeiture, or written complaint relating to the Stations, the FCC Authorizations or the FCC Rules, or any material violations under any other applicable laws and regulations, the Company shall promptly notify the Purchasers and, at the Company' expense, use reasonable commercial efforts to cure all such violations prior to the Closing Date.

4.4 Notice of Proceedings. Between the date of this Agreement and the Closing the Company will promptly notify Purchaser in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the Guaranty Purchase Agreement or the respective transactions contemplated hereby or thereby; or (b) receiving any notice from any Governmental Entity of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or the Guaranty Purchase Agreement, or the respective transactions contemplated hereby and thereby, or (ii) to nullify or render ineffective this Agreement or the Guaranty Purchase Agreement or the respective transactions contemplated hereby and thereby if consummated.

4.5 Nondisclosure Agreement. The Company agrees to keep the fact this Agreement has been entered into and the terms and conditions thereof confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except: (a) to attorneys, advisors, accountants, auditors, investment bankers, investors, lenders and consultants to the Company, (b) as may be required by any Applicable Law, (c) as may be agreed to in advance by the Purchasers or as requested or required by any Governmental Entity (including the FCC) and (d) as to any such information that is or becomes generally available to the public.

ARTICLE V COVENANTS OF PURCHASERS

5.1 Notice of Proceedings. Each Purchaser covenants and agrees, as to itself but not as to the other Purchaser, that from the date hereof until the completion of the Closing, Purchasers will promptly notify the Company and the other Purchaser in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions which are the subject of this Agreement; or (b) receiving any notice from any Governmental Entity, of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or the transactions which are the subject of this Agreement, or (ii) to nullify or render ineffective this Agreement or the transactions which are the subject of this Agreement if consummated.

5.2 Confidentiality. Purchaser agrees that material, non-public information regarding the Company and the Stations and their operations, assets, and existing and contemplated business plans and the fact this Agreement has been entered into and the terms and conditions thereof shall all be treated by Purchaser in a confidential manner, and shall not be disclosed to persons who are not parties to this Agreement, except: (a) to attorneys, advisors, accountants, auditors, investment bankers, investors, lenders and consultants to Purchaser, (b) as may be required by Applicable Law, (c) as may be agreed to in advance by the Company or as requested or required by any Governmental Entity (including the FCC) and (d) as to any such information that is or becomes generally available to the public.

ARTICLE VI

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company under this Agreement are, at the Company's option, subject to and conditioned upon the satisfaction and fulfillment of the following conditions prior to or on the Closing Date, unless waived by the Company:

6.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Purchasers contained in this Agreement or in any documents delivered pursuant hereto shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Purchasers shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by them prior to or on the Closing Date.

6.2 Proceedings. Neither the Company nor Purchasers shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated by this Agreement.

6.3 Deliveries. Purchasers shall have complied with each of their respective obligations set forth in Section 8.2.

6.4 Consents. The execution and delivery of each of the documents Purchasers are obligated to provide under this Agreement, the fulfillment of and the compliance with the respective terms and provisions of each, and the consummation of the transactions described in each, do not and will not (i) conflict with or violate any law, regulation, order, award, judgment, injunction or decree applicable to or affecting either Purchaser, (ii) conflict with or result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any contract to which Purchaser is a party or by which either Purchaser is bound, or (iii) conflict with or violate any provision of Purchaser's organizational documents, except, in the case of (i), (ii), or (iii), as would not materially affect either Purchaser's ability to consummate the transactions contemplated by this Agreement.

ARTICLE VII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASERS

The obligations of Purchasers under this Agreement are, at its option, subject to and conditioned upon the satisfaction and fulfillment of the following conditions prior to or on the Closing Date, unless waived by Purchasers:

7.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of the Company contained in this Agreement or in any documents delivered pursuant hereto shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) The Company shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 Proceedings. Neither the Company nor either Purchaser shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated by this Agreement.

7.3 Consummation of Guaranty Purchase Agreement. The transaction contemplated by the Guaranty Purchase Agreement shall be ready to consummate in accordance with its terms simultaneous with or immediately following the closing of the transactions contemplated hereunder.

7.4 Absence of Litigation. There shall be no investigation, claim, arbitration or litigation pending against, affecting or involving the Company and its assets, or the business or operation of the Company, or the transactions which are the subject of this Agreement, before or by any court, arbitrator or other governmental authority, and the radio stations operated by the Company shall not be operating under or subject to an order, award, judgment, writ, decree, determination or injunction of any court, arbitrator or governmental authority. There shall be no insolvency proceedings of any character pending against, affecting or involving the Company, or the business or operation of the Company, and the Company shall not have taken any action in contemplation of the institution of any such insolvency proceedings.

7.5 Deliveries. The Company shall have complied with each and every one of its obligations set forth in Section 8.1.

7.6 Material Adverse Effect. There shall have been no Material Adverse Effect since the date of this Agreement.

ARTICLE VIII ITEMS TO BE DELIVERED AT THE CLOSING

8.1 Deliveries by the Company. At the Closing, the Company shall deliver (or cause to be delivered) to Purchaser the following:

(a) certified copies of the consents and/or resolutions of all of the managers and members of the Company, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by the Company of this Agreement, and the consummation of the transactions contemplated by this Agreement;

(b) the Limited Liability Company Agreement in the form agreed to by the Controlling Members and the Purchasers;

(c) copies of all of the executed closing documents to be delivered at the Guaranty Closing; and

(d) such other documents as are reasonably requested by Purchasers in order to effectuate and document the transactions contemplated by this Agreement.

8.2 Deliveries by Purchasers. At the Closing, each Purchaser shall deliver (or caused to be delivered) to the Company the following:

- (a) the Purchase Price, which shall be paid in the manner specified in Section 1.3;
- (b) certified copies of resolutions, duly adopted by the managers or directors, as the case may be, of Purchaser, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated by this Agreement;
- (c) the Limited Liability Company Agreement in the form agreed to by the Controlling Members and the Purchasers; and
- (d) such other documents to as are reasonably requested by the Company to effectuate and document the transactions contemplated by this Agreement.

ARTICLE IX SURVIVAL; INDEMNIFICATION

9.1 Survival. Unless otherwise specifically provided to the contrary or unless the text of this Agreement clearly indicates otherwise, each of the representations, warranties, covenants and agreements of the parties hereto contained in this Agreement shall survive the closing of the transactions contemplated hereby and the execution and delivery of this Agreement and shall be fully enforceable against the party or parties sought to be charged with any breach hereof for a period of two years after Closing.

9.2 Indemnification.

(a) **Indemnification.** Subject to the terms and conditions of this Article IX and conditioned upon the consummation of the sale of the Class B Interests from the Company to Purchasers, the Company and the Controlling Members agree to jointly and severally indemnify, defend, and hold harmless each Purchaser with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (including interest, penalties and reasonable attorneys' fees) of every kind and description (collectively, "**Damages**") relating to or arising out of (a) any inaccurate representation made by the Company in this Agreement, (b) any breach of any warranties made by the Company in this Agreement, and (c) any breach or default in the performance by the Company of any of the covenants to be performed by the Company under this Agreement. Subject to the terms and conditions of this Article IX and conditioned upon the consummation of the sale of the Class B Interests to Purchaser, each Purchaser agrees to indemnify, defend, and hold harmless the Company and the Controlling Members with respect to any and all Damages relating to or arising out of (a) any inaccurate representation made by that Purchaser in this Agreement, (b) any breach of any warranties made by that Purchaser in this Agreement and (c) any breach or default in the performance by Purchaser of any of the covenants to be performed by that Purchaser under this Agreement.

(b) **Notification of Indemnification Claim.** The indemnifying parties shall not have any indemnification obligation pursuant to this Article IX or otherwise in respect of any representation, warranty or covenant unless before the Survival Date it shall have received from the indemnified party written notice of the existence of the claim for or in respect of which indemnification is sought. Such notice shall set forth with reasonable specificity (i) the basis under this Agreement, and the facts that otherwise form the basis, of such claim, (ii) an estimate of the amount of such claim (which estimate shall not be conclusive of the final amount of such claim but rather a good faith estimate based on the facts and circumstances known by the

indemnified party at that time) and an explanation of the calculation of such estimate, including a statement of any significant assumptions employed therein, and (iii) the date and manner in which the party delivering such notice became aware of the existence of such claim; provided, however, that any notice which the party seeking indemnification delivers to the indemnifying party prior to the Survival Date which notifies the indemnifying party of the existence of a claim and, notwithstanding the failure of such notice to meet the requirements set forth in clauses (i), (ii), and (iii) above, does not materially prejudice the indemnifying party's ability to defend such claim, shall be deemed to have met the requirement of delivery of notice prior to the Survival Date for the purpose of preserving the indemnified party's right to indemnification pursuant to this Article IX.

9.3 Limitation of Liability. The indemnification obligations of the indemnifying parties pursuant to this Article IX shall be subject to the following limitations and provisions:

(a) **Indemnification Threshold.** No indemnification shall be required to be made by any indemnifying party pursuant to Section 9.2(a) with respect to any claims, unless and until the aggregate amount of Damages incurred by the indemnified party with respect to all of their respective claims (whether asserted, resulting, arising, imposed or incurred before, on or after the Closing Date) exceed \$25,000 (the "**Threshold**"), it being agreed and understood that, if such amount is exceeded, the indemnifying parties shall be liable to the full extent of such Damages including those not in excess of \$25,000, subject to the limitations set forth in this Section 9.3. Notwithstanding the foregoing, the Threshold shall not apply to Damages asserted against, resulting to, imposed upon or incurred by either Purchaser, directly or indirectly, by reason of or resulting from any inaccuracy in or breach of any representation of warranty contained in Sections 2.3, 2.12, 2.15 or 2.17, which are not subject to the Threshold. Notwithstanding the foregoing, the Threshold shall not apply to Damages asserted against, resulting to, imposed upon or incurred by the Company or the Controlling Members, directly or indirectly, by reason of or resulting from any inaccuracy in or breach of any representation of warranty contained in Sections 3.1, 3.6, 3.7, 3.8, 3.9, 3.10, and 3.12.

(b) **No Punitive Damages.** The indemnification obligations of an indemnifying party pursuant to Section 9.3 shall not include consequential, special, indirect, punitive or exemplary damages.

9.4 Indemnification Procedure. For purposes of administering the indemnification provisions set forth in this Article IX, the following procedure shall apply:

(a) **Notice of Claim.** Whenever a claim shall arise under this Article, the party entitled to indemnification (the "**Indemnified Party**") shall promptly and in no event later than ten business days after becoming aware of such a claim, give written notice to the party from whom indemnification is sought (the "**Indemnifying Party**") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such Claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, provided that the Indemnified Party's failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such claim.

(b) **Defense of Claim by Indemnifying Party.** If the Indemnifying Party assumes the defense of any such claim or litigation, the obligations of the Indemnifying Party as to such Claim shall be limited to taking all steps necessary in the defense or settlement of such claim or litigation and to holding the Indemnified Party harmless from and against any losses, damages

and liabilities caused by or arising out of any settlement or any judgment in connection with such claim or litigation. The Indemnified Party may participate, at its or their expense, in the defense of such claim or litigation, provided that the Indemnifying Party shall direct and control the defense of such claim or litigation. The Indemnified Party shall cooperate and make available all books and records reasonably necessary and useful in connection with the defense. The Indemnifying Party shall not, in the defense of such claim or any litigation consent to entry of any judgment, except with the written consent of the Indemnified Party, or enter into any settlement, except with the written consent of the Indemnified Party, in either case which will not be unreasonably withheld, conditioned or delayed.

(c) **Defense of Claim by Indemnified Party.** If the Indemnifying Party does not choose to defend against a claim by a third party, the Indemnified Party may defend against such claim in such manner as it deems appropriate or settle such claim (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party, including without limitation reasonable attorneys' fees, in accordance with this Article.

(d) **Compromise or Settlement of Claim.** The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to the Indemnified Party of a release from all liability with respect to such claim. Neither Purchaser nor Indemnifying Party shall be deemed to have notice of any claim by reason of any knowledge acquired on or prior to the Closing Date unless express evidence is available establishing actual notice to either party.

ARTICLE XI TERMINATION AND REMEDIES

11.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned on a date (the "**Termination Date**") prior to the Closing Date, as follows:

- (a) by mutual written agreement of the Company and Purchasers; or
- (b) by a Purchaser, provided Purchaser is not in material breach of this Agreement if any of the conditions set forth in Article VII of this Agreement shall not have been fulfilled by the Closing Date;
- (c) by the Company, provided the Company is not in material breach of this Agreement, if any of the conditions set forth in Article VI of this Agreement shall not have been fulfilled by the Closing Date; or
- (d) by a Purchaser, if Purchaser is not then in material breach of this Agreement and the Company is then in material breach of this Agreement, and such breach remains uncured within 30 days after receipt of written notice thereof from Purchaser; or
- (e) by the Company, if the Company is not then in material breach of this Agreement and Purchasers are then in material breach of this Agreement, and such breach remains uncured within 30 days after receipt of written notice thereof from the Company;

11.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.1 by the Company or a Purchaser, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, and then this Agreement shall become void and have no effect (as to any of the undersigned parties), except that the agreements contained in this Section and in Sections 1.8, 1.9, 12.3 and 12.8 shall survive the termination hereof for a period of 12 months.

11.3 Waiver. Each of the Company and Purchasers may (i) waive any inaccuracies in the representations and warranties of the other contained herein or in any document, certificate or writing delivered pursuant hereto or (ii) waive compliance by the other with any of the other's agreements or fulfillment of any conditions to its own obligations contained herein. Any agreement on the part of a party hereto to any such waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such party. No failure or delay by a party hereto in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.4 Specific Performance. The Company and Purchasers hereby acknowledge that the Stations being acquired by the Company are unique, and that the harm to a party hereto resulting from the other party's failure to perform such party's obligations hereunder cannot be adequately compensated by damages. Accordingly, the Company and Purchasers agree that the non-breaching party shall have the right to have all obligations, undertakings, agreements, covenants and other provisions of this Agreement specifically performed by the breaching party; provided such action is commenced within 60 days after the breach or termination of this Agreement. In any such specific performance action, the breaching party agrees to waive the defense that there is an adequate remedy at law for damages and agrees that the non-breaching party shall be entitled to obtain specific performance of the breaching party's obligations hereunder without having to post any bond or other security in any such proceeding.

11.5 Remedies Not Exclusive. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. The rights and remedies of any party based upon, arising out of or otherwise in respect of any inaccuracy in or breach of any representation, warranty, covenant or agreement contained in this Agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement contained in this Agreement (or in any other agreement between the parties) as to which there is no inaccuracy or breach.

ARTICLE XII GENERAL PROVISIONS

12.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. The Company may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Purchasers, and any such attempted assignment or delegation without such consent shall be void. Purchasers may not assign any of their rights or delegate any of their duties hereunder without the prior written consent of the Company, and any such attempted assignment or delegation without such consent shall be void; provided that either Purchaser may assign this agreement to its senior secured lender as collateral under any applicable loan agreement.

12.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or

times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

12.3 Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (i) on the date of personal delivery to an officer of the other party, or (ii) if sent by facsimile machine to the facsimile number shown below, on the date of such confirmed facsimile transmission, provided a copy is also sent by commercial overnight delivery service, prepaid, to the address shown below (or to such changed facsimile number or address provided by notice in accordance with this Section 12.3):

If to Momentum:	Momentum Plan I Ltd., LLP 1227 W. Magnolia Avenue, Suite 300 Fort Worth, Texas 76104 Attn: Jon Vanderploeg Fax: (817) 920-9606
With a copy to:	William F. Pyne Snell Wylie & Tibbals, P.C. 8150 N. Central Expressway, Suite 1800 Dallas, Texas 75206 FAX: (214) 691-2501
If to Aldus	Aldus Sunburst, Inc. 2651 N. Harwood, Suite 210 Dallas, Texas 75201 Attn: Matthew O'Reilly Fax: (214) 234-3772
With a copy to:	Perry Bendicksen Brownstein Hyatt & Farber, P.C. 201 Third Street, N.W., Suite 1700 Albuquerque, New Mexico 87102 Fax: (505) 244-9266
If to the Company:	Sunburst Media-Louisiana, LLC 300 Crescent Court, Suite 850 Dallas, Texas 75201 Attn: John M. Borders / Don L. Turner Fax: 214-661-3111
With a copy to:	Robert Q. Stanton Robert Q. Stanton, P.C. 3838 Oak Lawn Avenue, Suite 400 Dallas, Texas 75219 Fax: 1-800-492-1966

12.4 Captions; References. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement. References to an “Article” or “Section” when used without further attribution shall refer to the particular article or section of this Agreement.

12.5 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, that the Company shall pay any FCC filing fees required to be paid in connection with the securing the approval of the transactions contemplated by this Agreement.

12.6 Further Assurances. From time to time prior to, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transactions contemplated by this Agreement. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps reasonably required to be taken as part of their respective obligations under this Agreement.

12.7 Public Announcements. Prior to the Closing Date, no party shall, without the approval of the other party hereto, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party shall be so obligated by law, including, without limitation any public notice requirement of the FCC, in which case such party shall give advance notice to the other party and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

12.8 Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of laws.

12.9 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

12.10 Counterparts. 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.

12.11 Interpretation. Should any provision of this Agreement require interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agent

prepared the same, it being agreed that the agents of each party have participated in the preparation hereof.

12.12 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.

12.13 Attorney's Fees. If any action or proceeding relating to this Agreement, the transactions contemplated hereby or the enforcement of any provision of the this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs and disbursements in addition to any other relief to which the prevailing party may be entitled.

[Signature Page Follows]

SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT

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

SUNBURST MEDIA-LOUISIANA, LLC
By: Sunburst Media, Inc.
Its: Sole Manager

By: _____
DON L. TURNER,
Vice President and Chief Financial Officer

MOMENTUM PLAN I LTD., LLP

By: _____
JON VANDERPLOEG,
President

ALDUS SUNBURST, INC.

By: _____
MATTHEW O'REILLY,
President

**As to the matters set forth in Article III and
Section 8.2(e):**

ERASMUS LOUISIANA GROWTH FUND, LP

By: Erasmus Louisiana Growth Investors, L.P.
(Its General Partner)

By: Erasmus Louisiana Growth Partners, LLC
(Its General Partner)

By: _____
MATTHEW O'REILLY,
Managing Partner

BORDERS:

JOHN M. BORDERS

TURNER:

DON L. TURNER