

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of August 3, 2001 among Sheldon Communications, Ltd., a Texas Limited Partnership ("Seller"), Clear Channel Broadcasting, Inc., a Nevada corporation ("CCB") and Clear Channel Broadcasting Licenses, Inc., a Nevada corporation ("CCBL") (CCB and CCBL, collectively, "Buyer").

WITNESSETH

WHEREAS, Seller owns and operates the following radio broadcast station (the "Station") pursuant to certain licenses, authorizations and approvals (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"): KLFX-FM, Licensed to Nolanville, Texas (the "Station"); and

WHEREAS, subject to the terms and conditions set forth herein, (i) Seller desires to assign to CCBL, and CCBL desires to acquire from Seller, the FCC Authorizations and (ii) Seller desires to convey to CCB, and CCB desires to acquire from Seller, the other tangible and intangible assets and properties used or held for use in the operation of the Station.

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

Section 1.1 Station Assets. Subject to and in reliance upon the representations, warranties and agreements herein set forth, and subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined) all interests of Seller in all properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, including its business and goodwill (except for Excluded Assets as defined in Section 1.2) used or held for use in the business and operations of the Station (collectively, the "Station Assets"). Without limiting the foregoing, the Station Assets shall include the following:

(a) Licenses and Authorizations. All of the FCC Authorizations issued with respect to the Station including, without limitation, all rights in and to the Station's call letters and any variations thereof, and all of those FCC Authorizations listed and described on Schedule 1.1(a) attached hereto, and all applications therefor, together with any renewals or extensions thereof and additions thereto.

(b) Tangible Personal Property. All interests of Seller as of the date of this Agreement in all equipment, electrical devices, antennas, cables, vehicles, furniture, fixtures,

office materials and supplies, hardware, tools, spare parts, and other tangible personal property of every kind and description, used or held for use in connection with the business and operations of the Station including, without limitation, those listed and described on Schedule 1.1(b) attached hereto, and any additions and improvements thereto between the date of this Agreement and the Closing Date (collectively, "Tangible Personal Property").

(c) Real Property. All interests of Seller as of the date of this Agreement in all land, leaseholds, licenses, rights-of-way, easements and other interests of every kind and description in and to all of the real property and buildings, towers, transmitters, antennae, fixtures and improvements thereon, used or held for use in the business and operations of the Station including, without limitation, those listed and described on Schedule 1.1(c) attached hereto, and any additions and improvements thereto between the date of this Agreement and the Closing Date (collectively, the "Real Property").

(d) Time Sales Agreements. All orders and agreements entered into in the ordinary course of business for the sale of advertising time on the Station for cash that are cancellable without penalty that exist on [either (i) the date the term of the LMA (as defined in Section 1.8) commences or (ii) if such LMA term does not commence, then] the Closing Date.

(e) Contracts. Those Contracts (as hereinafter defined) used in connection with the business and operations of the Station including, without limitation, those listed and described on Schedule 1.1(e) attached hereto.

(f) Intangible Property. All interests of Seller as of the date of this Agreement in all trademarks, trade names, service marks, copyrights, franchises, patents, jingles, slogans, logotypes, trade secrets, internet addresses, telephone numbers and other intangible rights, used or held for use in connection with the business and operations of the Station including, without limitation, all right, title and interest in and to the marks consisting of the Station's call letters and any and all variations thereof, as listed and described on Schedule 1.1(f) attached hereto, and those acquired by Seller between the date hereof and the Closing Date (collectively, the "Intangible Property").

(g) Programming and Copyrights. All interests of Seller as of the date of this Agreement in all programs and programming materials and elements of whatever form or nature used or held for use in the business and operations of the Station, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law and statutory copyrights used or held for use in the business and operations of the Station, together with all such programs, materials, elements and copyrights acquired by Seller in the business and operations of the Station between the date hereof and the Closing Date.

(h) Files and Records. All FCC logs and other records that relate to the operation of the Station, and all files and other records of Seller relating to the business and operations of the Station (other than duplicate copies of such files ("Duplicate Records")) including, without limitation, all schematics, blueprints, engineering data, customer lists, reports, specifications, projections, statistics, promotional graphics, original art work, mats, plates,

negatives and other advertising, marketing or related materials, and all other technical and financial information concerning the Station and the Station Assets.

(i) Claims. Any and all claims and rights against third parties if and to the extent that they relate to the Station Assets including, without limitation, all rights under manufacturers' and vendors' warranties.

(j) Prepaid Items. All deposits, reserves and prepaid expenses relating to the Station and prepaid taxes relating to the Station or the Station Assets.

(k) Goodwill. All of Seller's goodwill in, and going concern value of, the Station.

Section 1.2 Excluded Assets. There shall be excluded from the Station Assets and retained by Seller, to the extent in existence on the Closing Date, all cash, cash equivalents, publicly traded securities, insurance policies, pension, profit sharing and all other employee benefit plans, and any Duplicate Records of the Seller (the "Excluded Assets").

Section 1.3 Liabilities.

(a) The Station Assets shall be sold and conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, "Liens") except: (i) liens for real estate taxes not yet due and payable for which Buyer receives a Purchase Price adjustment under Section 1.5; and (ii) the post-Closing obligations of Seller which CCB will assume under leases and contracts assigned to CCB that are listed on Schedules 1.1(c) and 1.1(e) ("Permitted Encumbrances").

(b) Except as otherwise specifically provided herein, Buyer shall not assume or be liable for, and does not undertake to attempt to, assume or discharge: (i) any liability or obligation of Seller arising out of or relating to any contract, lease agreement, or instrument; (ii) any liability or obligation of Seller arising out of or relating to any employee benefit plan otherwise relating to employment (all employment obligations shall be brought current by Seller as of the Closing Date, including the payment of all accrued benefits and severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date); (iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against the Station or any of the Station Assets relating to any event (whether act or omission) prior to the Closing Date including, without limitation, the payment of all taxes.

(c) Buyer shall in no event assume any liability or obligation arising (i) from the assignment to Buyer of any Contract in violation of its terms or (ii) from any other breach or default by Seller upon or prior to Closing under any Contract.

(d) Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations and liabilities not expressly assumed by Buyer hereunder as they become due, without any charge or cost to Buyer, and Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article IX.

Section 1.4 Purchase Price.

(a) Purchase Price. The purchase price to be paid for the Station Assets will be an amount equal to the sum of (i) TWO MILLION SIX HUNDRED THOUSAND DOLLARS (\$2,600,000) plus or minus (ii) the Closing Date Adjustments pursuant to Section 1.5 (the "Purchase Price").

(b) Method of Payment. Upon Closing, the Purchase Price shall be paid by Buyer in immediately available funds pursuant to written instructions of the Seller to be delivered by Seller to Buyer at least four (4) business days prior to Closing.

(c) Allocation of Purchase Price. Buyer and Seller will allocate the Purchase Price in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). The allocation shall be determined by mutual agreement of the parties as set forth on Schedule 1.4(c) within ninety (90) days after the Closing. Buyer and Seller each further agrees to file its federal income tax returns and its other tax returns reflecting such allocation.

Section 1.5 Adjustments.

(a) Except as provided in the LMA, the operation of the Station and the income and normal operating expenses attributable thereto through the date preceding the Closing Date (the "Adjustment Date") shall be for the account of Seller and thereafter for the account of Buyer, and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly [Except as provided in the LMA,] expenses for goods or services received both before and after the Adjustment Date, power and utilities charges, frequency discounts, prepaid time sales agreements, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Adjustment Date in accordance with generally accepted accounting principles. All taxes, special assessments and similar charges or liens imposed against the Real Property and Tangible Personal Property in respect of any period of time through the Adjustment Date, whether payable in instalments or otherwise, shall be the responsibility of Seller, and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Adjustment Date shall be the responsibility of Buyer, and such charges shall be adjusted as required hereunder. To the extent that any of the foregoing prorations and adjustments cannot be determined as of the Closing Date, Buyer and Seller shall conduct a final accounting and make any further payments, as required on a date mutually agreed upon, within ninety (90) days after the Closing.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services ("Barter Agreements") assumed by Buyer pursuant to Section 1.1(d) or (e), if any, if there exists on the date of assumption an aggregate negative barter balance (i.e., the amount by which the value of air time (based upon the Station's then prevailing rates) to be provided exceeds the fair market value of goods or services to be received therefor), then such excess will be treated as prepaid time sales and adjusted for as a proration in Buyer's favor. If, however, there exists on such date an aggregate positive barter balance (i.e., the amount by which the value of airtime (based upon the Station's then prevailing rates) to be provided is less than the fair market value of goods or services to be received therefor) with respect to Barter Agreements assumed by Buyer, there shall be no proration in Seller's favor.

Section 1.6 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place at a date and time designated by Buyer after the date of the FCC Consent (as defined in Section 10.12) pursuant to the FCC's initial order, but, except as provided in Section 10.1(c), in no event later than the earlier of (a) one year after the date of this Agreement or (b) ten (10) business days after the date the FCC Consent becomes Final (as defined in Section 10.12) (such date, the "Final Closing Date"), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles VI and VII (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "Closing Date."

Section 1.7 Non-Competition Agreement. On the Closing Date, Seller (on behalf of it and all of its Affiliates (as defined in Section 2.24)) shall enter into a five-year Non-Competition Agreement in the form attached hereto as Exhibit A (the "Non-Competition Agreement"), for no additional consideration. In connection with the allocation under Section 1.4(c), a portion of the Purchase Price shall be allocated as consideration for the Non-Competition Agreement.

Section 1.8 LMA. Simultaneous with the execution of this Agreement, Seller and CCB are entering into a Local Programming and Marketing Agreement in the form attached hereto as Exhibit B (the "LMA") with respect to the Station pursuant to which, among other things, upon satisfaction of the Closing conditions described in Sections 6.4 and 7.4, and subject to the terms and conditions of the LMA, CCB will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Station.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

Section 2.1 Status. Seller is a Texas limited partnership, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (as first set

forth above). Seller is duly qualified to do business and is in good standing in such states in which the failure to so qualify would have a material adverse effect on the business of the Station. Seller has the requisite power to carry on the business of the Station as it is now being conducted and to own and operate the Station, and Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement (the "Subject Transactions"). Seller has not used any name, other than Sheldon Communications, Inc., in the operation of its business other than its name as first set forth above and the Station's call letters.

Section 2.2 Authority. All actions necessary to be taken by or on the part of Seller in connection with the Subject Transactions have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

Section 2.3 No Conflict. The execution, delivery and performance of this Agreement and the consummation of the Subject Transactions will not (a) conflict with or violate the certificate of limited partnership of Seller or agreement of limited partnership of Seller; (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 (as defined in Section 2.4) to which Seller is a party or by which it is bound, or by which the Station or any of the Station Assets may be affected, or result in the creation of any Lien upon any of the Station Assets; or (c) violate any judgment, decree, order, statute, law, rule or regulation applicable to Seller, the Station or any of the Station Assets.

Section 2.4 Contracts. All written, oral or implied contracts, agreements, leases or instruments or other commitments including, without limitation, all indentures, mortgages, guarantees, surety arrangements, and all contracts or agreements for the purchase or sale of merchandise, programming or advertising time on a radio station or for the rendition of services (each a "Contract" and collectively, "Contracts"), which relate to the Station Assets, to which Seller is a party to or bound by, or which are used in, related to or necessary for the business and operations of the Station ("Seller Contracts") are described on Schedules 1.1(c) and 1.1(e), except for written Seller Contracts which: (a) have been entered into in the ordinary and usual course of business and are terminable without penalty or involving a commitment of less than \$1,000 individually or \$10,000 in the aggregate for the purchase or sale of goods, supplies, equipment, capital assets, products or services; or (b) involve less than \$1,000 individually or \$10,000 in the aggregate (when combined with all those described in clause (a) above) entered into in the ordinary and usual course of business from the date hereof until the Closing Date. Seller has delivered to Buyer true and complete copies of all written Seller Contracts listed on Schedules 1.1(c) and 1.1(e).

Section 2.5 No Breach. Seller is not in violation or breach of any of the terms, conditions or provisions of any Seller Contract, or any court order, judgment, arbitration award, or decree relating to or affecting the Station or the Station Assets to which Seller is a party or by which it is bound.

Section 2.6 Intentionally Omitted.

Section 2.7 Liabilities. Seller has no liabilities or obligations relating to the Station or the Station Assets of any kind or nature, whether known or unknown, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, except as and to the extent previously disclosed to Buyer.

Section 2.8 Taxes. Seller has filed all applicable federal, state, local and foreign tax returns required to be filed, in accordance with provisions of law pertaining thereto, and has paid all taxes, interest, penalties and assessments (including, without limitation, income, withholding, excise, unemployment, Social Security, occupation, transfer, franchise, property, sales and use taxes, import duties or charges, and all penalties and interest in respect thereof) required to have been paid with respect to or involving the Station or the Station Assets. Seller has not been advised that any of its returns, federal, state, local or foreign, have been or are being audited.

Section 2.9 Licenses. Seller is the holder of the FCC Authorizations listed and described on Schedule 1.1(a). Such FCC Authorizations constitute all of the licenses, authorizations and approvals required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for, and used in the operation of, the Station. The FCC Authorizations are in full force and effect and have not been revoked, suspended, cancelled, rescinded or terminated and have not expired. There is not pending or threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability, other than those filed by Buyer), 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 Seller or any Station. Each Station is operating in compliance with the FCC Authorizations, the Communications Act, and the rules, regulations and policies of the FCC.

Section 2.10 Additional FCC Matters.

(a) All reports and filings required to be filed with the FCC by Seller with respect to the Station (including, without limitation, all required equal employment opportunity reports) have been timely filed. All such reports and filings are accurate and complete. Seller maintains public files for the Station as required by FCC rules. With respect to FCC licenses, permits and authorizations, Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization.

(b) Seller is aware of no facts indicating that Seller is not in compliance with all requirements of the FCC, the Communications Act, or any other applicable federal, state and local statutes, regulations and ordinances. Seller is aware of no facts and Seller has received no notice or communication, formal or informal, indicating that the FCC is considering revoking, suspending, cancelling, rescinding or terminating any FCC Authorization.

(c) The operation of the Station does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with

Respect to Human Exposure to Radio Frequency Electromagnetic Fields 300 kHz to 100 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Authorizations would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC's rules.

Section 2.11 Approvals and Consents. Except as described in Schedule 2.11 hereto, the execution, delivery and performance by Seller of this Agreement and the consummation by it of the Subject Transactions will not require any consent, permit, license or approval of, or filing with or notice to, any person, entity or governmental or regulatory authority under any provision of law applicable to Seller or any Seller Contract, except as contemplated by Sections 10.12 (Application for FCC Consent).

Section 2.12 Station Assets. The Station Assets constitute all of the assets necessary to conduct the present operations of the Station. Schedule 1.1(b) contains a description of all items of Tangible Personal Property having an original cost in excess of \$1,000. Seller has good, valid and marketable title to all of the Station Assets, free and clear of all Liens (other than Permitted Encumbrances). Each item of Tangible Personal Property including, without limitation, all equipment and electrical devices, is in good operating condition and repair, is free from material defect and damage, is functioning in the manner and for the purposes for which it was intended, has been maintained in accordance with industry standards and regulations of the FCC, and does not require any repairs other than normal routine maintenance.

Section 2.13 Real Property.

(a) Schedule 1.1(c) contains descriptions of all real property leased by Seller and used or held for use in connection with the business and operations of the Station and leases or licenses or other rights to possession of any real property so used or held which identifies the particular property used for the Station's studio and transmitter sites.

(b) Seller's interests in Real Property are as follows: Seller owns no real property.

(c) Seller's interests in Real Property not described in Section 2.13(b) herein are as follows: Seller leases, as a tenant, the premises described on Schedule 1.1(c) as being so leased in each case specifying the name of the lessor or sub lessor, the lessee, any sublessee, the lease term, the square footage of the premises leased, basic annual rental and other amounts paid or payable with respect thereto and any purchase or renewal options exercised or exercisable by Seller. The leases listed in Schedule 1.1(c) hereto constitute all the Real Property leases to which Seller is a party (either as lessor or lessee) and which are required or useful in the conduct of the business of the Station. Seller has delivered to Buyer true and complete copies of such leases.

(d) With respect to the leases of Real Property listed in Schedule 1.1(c) hereto, Seller has good title to its interest in such Real Property, free and clear of all Liens (other than Permitted Encumbrances). With respect to each such lease, (i) each such lease is in full force and effect, and is valid, binding and enforceable in accordance with its terms; (ii) all accrued and currently payable rents and other payments required thereunder have been paid; (iii) each such lease was entered into in the ordinary course of business and has provided for

peaceable possession since the beginning of the original term thereof; (iv) each party thereto has complied with all respective covenants and provisions of thereof; (v) no party is in default in any respect thereunder; (vi) no party has asserted any defence, set off or counterclaim thereunder; (vii) no waiver, indulgence, or postponement of any obligations thereunder has been granted by any party; (viii) no notice of default or termination has been given or received, no event of default has occurred, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time, or the happening of any further event would become a default or permit early termination thereunder; (ix) neither Seller nor any other party has violated any term or condition thereunder; and (x) the validity or enforceability thereof will in no way be affected by the sale of the Station Assets as contemplated herein. Each such lease provides sufficient access to the Station's facilities without need to obtain any other access rights. Except as set forth in Schedule 2.11 hereto, no third-party consent or approval is required for the assignment of any such lease to Buyer, or for the consummation of the Subject Transactions.

Section 2.14 Environmental Matters.

(a) As used herein, (i) the term "Environmental Laws" shall mean any and all state, federal, and local statutes, regulations and ordinances relating to the protection of human health and the environment, and (ii) the term "Hazardous Material" shall mean any hazardous or toxic substance, material, or waste including, without limitation, those substances, materials, pollutants, contaminants and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto), petroleum products (as defined in Title I to the Resource Conservation and Recovery Act, 42 U.S.C. § 6991-6991(i)) and their derivatives, and such other substances, materials, pollutants, contaminants and wastes as become regulated or subject to cleanup authority under any Environmental Laws.

(b) Seller represents and warrants that:

(i) all activities of the Station or of Seller with respect to the Station and the Real Property have been and are being conducted in compliance with all federal, state and local statutes, ordinances, rules, regulations and orders, as well as all requirements of common law concerning those activities, repairs or construction of any improvements, manufacturing processing and/or handling of any materials, and discharges to the air, soil, surface water or groundwater;

(ii) Seller has no knowledge of the release or presence of any Hazardous Material on, in, from or onto the Real Property;

(iii) Seller has not generated, manufactured, refined, transported, stored, handled, disposed of or released any Hazardous Material on the Real Property, nor has Seller or the Station permitted the foregoing;

(iv) Seller has obtained all approvals and caused all notifications to be made as required by Environmental Laws;

(v) Seller has obtained all required registrations with, licenses from, or permits issued by governmental agencies or authorities pursuant to environmental, health and safety laws, and all such registrations, licenses or permits are in full force and effect;

(vi) Seller has not received any notice of any violation of any Environmental Laws;

(vii) no action has been commenced or threatened regarding Seller's compliance with any Environmental Laws;

(viii) no tanks used for the storage of any Hazardous Material above or below ground are present or were at any time present on or about the Real Property;

(ix) no action has been commenced or threatened regarding the presence of any Hazardous Material on or about the Real Property;

(x) no Hazardous Materials are present in any medium in the operations of the Station (or of Seller with respect to the Station) and/or at the Real Property in such a manner as may require investigation or remediation under any applicable law;

(xi) no polychlorinated biphenyls or substances containing polychlorinated biphenyls are present on the Real Property; and

(xii) no friable asbestos is present in the operations of the Station and/or on the Real Property.

(c) Seller has not and will not release or waive the liability of any previous owner, lessee, or operator of the Real Property or any party who may be potentially responsible for the presence or removal of Hazardous Material on or about the Real Property. Seller has no indemnification obligation regarding Hazardous Material to any party.

(d) In addition to the terms of Article IX, Seller further agrees to defend (with counsel approved by Buyer), fully indemnify, and hold entirely free and harmless Buyer from and against all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, sums paid in settlement of claims, attorney's fees, consultant fees, and expert fees) that are imposed on, paid by, or asserted against Buyer, its successors or assigns, by reason or on account of, or in connection with, or arising out of (a) the presence or suspected presence of Hazardous Material in the soil, groundwater, or soil vapor on or about the Real Property, or (b) the migration of any Hazardous Material from or onto the Real Property, or (c) the violation of any Environmental Law, and, with respect to (a), (b) and (c), that existed as of or prior to the date of Closing. This indemnification of Buyer by Seller includes, without limitation, costs incurred in connection with any of the following:

(i) any investigative or remedial action involving the presence of Hazardous Material on or about the Real Property or releases of Hazardous Material from the Real Property;

(ii) any allegations made by any governmental authority or any private citizen or entity or group of citizens or entities as to the violation of any Environmental Laws involving the Real Property or the operations conducted thereon; and/or

(iii) any injury or harm of any type to any person or entity or damage to any property arising out of, in connection with, or in any way relating to (A) the generation, manufacture, refinement, transportation, treatment, storage, recycling, disposal or release, or other handling of Hazardous Material on or about the Real Property or pursuant to the operations conducted thereon, and/or (B) the violation of any Environmental Laws, and/or (C) the contamination of the Real Property.

(e) Buyer shall have the right to conduct a review of the Real Property and take soil and water samples (including groundwater samples) from the Real Property, and to test and analyse those samples to determine the extent of any contamination of the soils and water (including groundwater) on or about the Real Property. If, based on the results of those inspections and/or tests, Buyer determines that the condition of any of the Real Property is unsatisfactory or if Buyer believes that its ownership of any of the Real Property would expose Buyer to undue risks of government intervention or third-party liability, Buyer may, without any liability owing to Seller (i) cancel the purchase of any of the Real Property and consummate the remaining Subject Transactions or (ii) terminate this Agreement.

Section 2.15 Compliance with Law. The Station, the Station Assets and Seller with respect to the Station and the Station Assets, are in all material respects in compliance with all requirements of law, federal, state and local, and all requirements of all governmental bodies or agencies having jurisdiction over any of them, the operation of the Station, the use of its properties and assets (including the Station Assets), and the Real Property. Without limiting the foregoing, Seller has paid all monies and obtained all licenses, permits, certificates and authorizations needed or required for the operation of the Station and the use of the Real Property. Seller has properly filed all reports and other documents required to be filed with any federal, state, local or foreign government or subdivision or agency thereof. Seller has not received any notice, not heretofore complied with, from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law, or requirement of any public authority or body.

Section 2.16 Insurance. Seller maintains insurance policies relating to the Station and the Station Assets bearing the policy numbers, for the terms, with the companies, in the amounts, providing the general coverage set forth on Schedule 2.16 hereto. All of such policies are in full force and effect and Seller is not in default of any material provision thereof. Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

Section 2.17 Employment Matters.

(a) There are no collective bargaining agreements, or written or oral agreements relating to the terms and conditions of employment or termination of employment, covering any employees, consultants or agents of the Station, except as listed and described in Schedule 2.17 hereto. Except as listed and described in Schedule 2.17, no employee of the Station has a written employment Contract. Seller is not engaged in any unfair labor practice or other unlawful employment practice, and there are no unfair labor practice charges or other employee related complaints, grievances or arbitrations, against Seller pending before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other governmental authority by or concerning Seller's employees. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or threatened respecting any of Seller's employees. Seller has delivered to Buyer copies of all letters, memoranda of understanding, past practices, assurances or other agreements modifying such collective bargaining agreements and other similar employee agreements.

(b) All handbooks, policies and procedures relating to all aspects of employment including, without limitation, compensation, benefits, equal employment opportunity and safety are listed and described in Schedule 2.17 attached hereto.

(c) The Station, and Seller with respect to the Station, have complied with in the past and are now in compliance with all labor and employment laws including, without limitation, federal, state, local and other applicable laws, rules, regulations, ordinances, orders and decrees concerning collective bargaining, unfair labor practices, payments of employment taxes, occupational safety and health, worker's compensation, the payment of wages and overtime, and equal employment opportunity. The Station and Seller with respect to the Station, are not liable for any arrears or wages, benefits, taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment.

(d) Buyer shall have no obligation or liability due to or because of any past service liability, vested benefits, retirement plan insolvencies or other retirement plan or past employment obligation (except as provided herein) under local, state or federal law (including the Employee Retirement Income Security Act of 1974, as amended), resulting from the purchase of the Station or from former employees of Seller becoming employees of Buyer.

(e) Set forth on Schedule 2.17 are the names of all present employees of Seller and the positions, total annual compensation and accrued vacation and sick time of each.

Section 2.18 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or threatened against, the Station or Seller relating to or affecting the Station or the Station Assets nor, to the knowledge of Seller, is there any basis for any such suit, arbitration, administrative charge or other legal proceeding, claim or governmental investigation. Seller has not been operating under

or subject to, or in default with respect to, any judgment, order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, foreign or domestic.

Section 2.19 Intangible Property. Seller has all right, title and interest in and to all Intangible Property necessary to the conduct of the Station as presently operated. Schedule 1.1(f) contains a description of all Intangible Property used in the operation of the Station. Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). Seller has the sole and exclusive right to use the Intangible Property. No service provided by the Station or any programming or other material used, broadcast or disseminated by the Station infringes upon any copyright, patent or trademark of any other party.

Section 2.20 Bulk Sales. Neither the sale and transfer of the Station Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after Closing because of such sale and transfer, will be subject to any law pertaining to bulk sales or transfers or imposing liability upon Buyer for appraisal or liability owing to Seller.

Section 2.21 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 Subject Transactions as a result of any agreement of, or action taken by, Seller.

Section 2.22 Absence of Material Change. Since May 8, 2001, and except as contemplated by the LMA:

(a) there has not been and there is not threatened any material adverse change in the financial condition, business, prospects or affairs of Seller relating to the Station or any material physical damage or loss to any of the Station Assets (whether or not such damage or loss is covered by insurance);

(b) Seller has not taken any action with respect to the Station outside of the ordinary and usual course of business, except as related to the Subject Transactions;

(c) Seller with respect to the Station or the Station Assets has not borrowed any money or become contingently liable for any obligation or liability of others;

(d) Seller has with respect to the Station paid all of its liabilities and obligations as they became due;

(e) Seller with respect to the Station has not incurred any liability or obligation of any nature to any party, except for obligations arising from the purchase of goods or the rendition of services in the ordinary course of business;

(f) Seller has not waived any right of substantial value;

(g) Seller has maintained its books, accounts and records in the usual, customary and ordinary manner; and

(h) Seller with respect to the Station has preserved its business organization intact, kept available the services of its employees, and preserved its relationships with its customers, suppliers and others with whom it deals.

Section 2.23 FAA Compliance. Seller and the Station Assets are in material compliance with all rules and regulations of the Federal Aviation Administration applicable to the Station.

Section 2.24 Affiliates. No Affiliate of Seller has an interest in any of the Station Assets or any property used in the operation of the Station. Neither Seller nor any Affiliate of Seller has any financial interest in any supplier, advertiser or customer of Seller or in any other business with which Seller does business or competes. For purposes of this Agreement, an "Affiliate" has the meaning given it in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended.

Section 2.25 Disclosure. No provision of this Agreement relating to Seller, the Station or the Station Assets or any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the Subject Transactions, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. Seller will disclose to Buyer any fact known to Seller which Seller knows or believes would affect Buyer's decision to proceed with the execution of this Agreement. Except for facts affecting the radio industry generally, there is no adverse fact now known to Seller relating to the Station or the Station Assets which has not been disclosed to Buyer.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller:

Section 3.1 Status. Each of CCB and CCBL is a Nevada corporation which is duly organized, validly existing and in good standing under the laws of the State of Nevada. Buyer has the requisite power to enter into and complete the Subject Transactions.

Section 3.2 No Conflicts. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the Subject Transactions will: (a) conflict with or violate the certificate of incorporation or bylaws of Buyer; or (b) violate any judgment, decree, order, statute, rule or regulation applicable to Buyer.

Section 3.3 Corporate Action. All corporate actions necessary to be taken by or on the part of Buyer in connection with the Subject Transactions have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

Section 3.4 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 Subject Transactions as a result of any agreement of or action taken by Buyer.

Section 3.5 Qualification. To Buyer's knowledge, CCBL is qualified under the Communications Act and the existing rules, regulations and policies of the FCC to hold the FCC Authorizations.

ARTICLE IV

COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the completion of the Closing except as contemplated by the LMA:

Section 4.1 Operation of the Business.

(a) Seller shall continue to carry on the business of the Station and keep its books and accounts, records and files in the usual and ordinary manner in which the business has been conducted in the past. Seller shall operate the Station in accordance with the terms of the FCC Authorizations and in compliance in all material respects with all applicable laws, rules and regulations and all applicable FCC rules and regulations. Seller shall maintain the FCC Authorizations in full force and effect and shall timely file and prosecute any necessary applications for renewal of the FCC Authorizations. Seller will deliver to Buyer, within ten (10) Business Days after filing, copies of any reports, applications or responses to the FCC related to the Station which are filed during the Closing Period.

(b) Intentionally Omitted.

(c) Seller shall make all reasonable efforts to preserve the business organization of the Station intact, retain substantially as at present the Station's employees, consultants and agents, and preserve the goodwill of the Station's suppliers, advertisers, customers and others having business relations with them.

(d) [Subject to and consistent with the provisions of the LMA,]Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Station prior to the Closing Date, and Seller shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing Date.

(d) Seller shall keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies of inventory, office supplies, spare parts and other materials as have been customarily maintained in the past. Seller shall preserve intact the Station Assets and maintain in effect its current casualty and liability insurance on the Station Assets.

(f) Seller shall not, by any act or omission, cause any of the representations and warranties set forth in Article II to become untrue or incorrect, and shall cause the conditions to Closing set forth in Article VII to be satisfied, and ensure that the Subject Transactions shall be consummated as set forth herein.

(g) Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer:

(i) sell, lease, transfer, or agree to sell, lease or transfer, any Station Assets except for non-material sales or leases, in the ordinary course of business of items which are being replaced by assets of comparable or superior kind, condition and value;

(ii) except as may be required by applicable law, grant any raises to employees of the Station, pay any substantial bonuses or enter into any Contract of employment with any employee or employees of the Station, except in the ordinary course of business;

(iii) renew, renegotiate, modify, amend or terminate any existing time sales Contracts with respect to the Station except in the ordinary course of business;

(iv) renew, amend or terminate any Seller Contract except in the ordinary course of business;

(v) enter into any new Contract with respect to the Station except in the ordinary course of business;

(vi) apply to the FCC for any construction permit that would restrict the present operations of the Station, or make any change in any of the buildings, leasehold improvements or fixtures of the Station, except in the ordinary course of business; or

(vii) enter into any barter or trade Contracts that are prepaid, or any Contract with an Affiliate of Seller.

Section 4.2 Access to Facilities, Files and Records. At the request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer: (a) full access during normal business hours to all facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, Seller Contracts, records and files of every character, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable of Seller with respect to the Station; and (b) all such other information concerning the affairs of the Station as Buyer may reasonably request.

All such information, when provided by Seller, shall be deemed to have been represented and warranted by Seller to be correct, complete and fully responsive to Buyer's request therefor. Any investigation or examination by Buyer shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement or in connection herewith. Seller shall cause its accountants and any agent of Seller in possession of Seller's books and records to cooperate with Buyer's requests for information pursuant to this Agreement.

Section 4.3 Representations and Warranties. Seller shall give detailed written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement.

Section 4.4 Consents. Seller shall use its best efforts to obtain all of the consents noted on Schedule 2.11 hereto. If Seller does not obtain a consent required to assign a Seller Contract hereunder, Buyer shall not be required to assume such Seller Contract. Marked with an asterisk on Schedule 2.11 are those consents the receipt of which is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents"). Seller shall obtain the Required Consents prior to Closing.

Section 4.5 Notice of Proceedings. Seller will promptly notify Buyer 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 Subject Transactions; or (b) receiving any notice from any governmental department, court, agency or commission 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 Subject Transactions, or (ii) to nullify or render ineffective this Agreement or the Subject Transactions if consummated.

Section 4.6 Consummation of Agreement. Subject to the provisions of Section 10.1: (a) Seller shall use all reasonable efforts to fulfill the conditions in Articles VI and VII, and to cause the Subject Transactions to be fully carried out; and (b) Seller shall not take any action that would make the consummation of this Agreement contrary to the Communications Act or the rules, regulations or policies of the FCC.

Section 4.7 Intentionally Omitted.

Section 4.8 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Buyer or its business or properties to which Seller is exposed as a result of the negotiation, preparation or performance of this Agreement shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Seller's employees, attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys, on a need-to-know basis for the purpose of consummating the Subject Transactions.

Section 4.9 Estoppel Certificates; Title Insurance; Liens. Seller, at Seller's expense, will obtain and deliver to Buyer (i) written estoppel certificates (the "Estoppel Certificates") duly

executed by the lessors under the leases of Real Property described on Schedule 1.1(c), in form and substance satisfactory to Buyer, (ii) commitments from a title company acceptable to Buyer to issue to Buyer at standard rates leasehold title insurance policy with respect to the leased Real Property in a commercially reasonable amount with no exceptions other than Permitted Encumbrances (the "Title Commitments") and (iii) all UCC, judgment and state and federal tax lien search reports (showing searches in the name of Seller and the call letters of each Station) necessary to assure that no Liens are filed or recorded against the Station Assets in the public records of the Texas Secretary of State and Bell County, Texas or any other jurisdiction where the Station Assets are located (the "Lien Search Reports"). The Estoppel Certificates shall be dated as of the Closing Date. The Title Commitments and the Lien Search Reports shall be delivered within thirty (30) calendar days of the date of this Agreement and shall be updated as of the Closing.

Section 4.10 Employee Matters.

(a) Buyer may offer employment to any of Seller's employees of the Station (each an "Employee") who is available for work on the Closing Date. Any such offer shall be for employment at will by Buyer as new employees of Buyer (subject to any applicable probation period not prohibited by law) to occupy positions designated by Buyer and pursuant to the terms and conditions determined by Buyer in its sole discretion.

(b) Seller agrees to make available to Buyer, to the fullest extent permitted by law, all information and materials requested by Buyer from the personnel files of each Employee who shall have elected to accept employment with Buyer.

(c) Buyer assumes no obligation to continue or assume any compensation arrangements or liabilities of Seller (including, without limitation, any salary, bonuses, fringe benefits, insurance plans, or pension or retirement benefits under any compensation or retirement plan maintained by Seller) to any such Employee.

(d) Seller agrees to remain responsible for the payment of all accrued benefits in accordance with the terms of Seller's retirement plans, including any retiree medical, dental and life insurance plan. Buyer shall not at any time assume any liability under Seller's retirement plans for the payment of benefits to any active or any terminated, vested or retired participants in Seller's retirement plans.

(e) Seller shall retain the responsibility for payment of all medical, dental, health and disability claims incurred by any Employee prior to the Closing Date, and Buyer shall not assume any liability with respect to such claims. Seller also agrees to retain responsibility for disability payments to Employees on medical or disability leave at the Closing Date until such time as such Employee is offered employment by Buyer, in its sole discretion, or as otherwise required under applicable law or regulation. Except as provided in the immediately preceding sentence, Buyer shall assume responsibility for payment of all medical, dental, health and disability claims incurred by Employees in its employ on or after the Closing Date, which are covered under Buyer's benefit plans and in which the Employee is a participant.

(f) Seller agrees that it shall retain, consistent with its normal employment practices, all liabilities and obligations, if any (including, without limitation, the liability and obligation for all wages, salary, vacation pay and unemployment, medical, dental, health and disability benefits), for those former employees of Seller who retired or terminated employment prior to the Closing Date or otherwise do not become employees of Buyer.

(g) Seller, with respect to the Employees, will timely give all notices required to be given under the Worker Adjustment and Retraining Act of 1988 or similar statutes or regulation of any jurisdiction relating to any plant closing or mass lay off or as otherwise required by law and shall fully indemnify and hold harmless Buyer with respect to any liability that may arise with respect thereto relating to the Employees.

(h) Any Employee who becomes an employee of Buyer on the Closing Date and who was eligible to participate in Seller's 401(k) plan shall become eligible to participate in Buyer's 401(k) plan without regard to the eligibility requirements contained therein. As of the Closing Date, Buyer shall cause its 401(k) plan to permit Employees who participate in the Seller's 401(k) plan to elect to make direct rollovers of their account balances in Seller's 401(k) plan into the Buyer's 401(k) plan; provided, however, that, such action is in full compliance with all applicable law and regulations, including the Code, as of the date of the proposed rollover.

ARTICLE V

COVENANTS OF BUYER

Buyer covenants and agrees that from the date hereof until the completion of the Closing, except as contemplated by the LMA:

Section 5.1 Representations and Warranties. Buyer shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the date hereof, of any of the representations and warranties of Buyer contained in this Agreement.

Section 5.2 Application for FCC Consent. Buyer will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Buyer will promptly provide Seller with copies of any pleading, order or other document served on it relating to the Application. In the event that Closing occurs prior to a Final FCC Consent, then Buyer's obligations under this Section 5.2 shall survive the Closing.

Section 5.3 Consummation of Agreement. Subject to the provisions of Section 10.1, Buyer shall use all reasonable efforts to fulfill the conditions in Articles VI and VII, and to cause the Subject Transactions to be fully carried out.

Section 5.4 Notice of Proceedings. Buyer will promptly notify Seller 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 Subject Transactions; or (b) receiving any notice from any governmental department, court, agency or commission 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 such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

Section 5.5 Intentionally Omitted.

Section 5.6 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Seller, the Station and their operation and properties derived from or resulting from Buyer's acts or conduct (including, without limitation, acts or conduct of Buyer's officers, employees, accountants, counsel, agents, consultants or representatives, or any of them) under the provisions of Section 4.2 shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Buyer's attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the Subject Transactions.

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

Section 6.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Buyer shall have performed and complied 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.

(c) Buyer shall have furnished Seller with a certificate, dated the Closing Date and duly executed by a Vice President of Buyer authorized on behalf of Buyer to give such a certificate, to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

Section 6.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transactions.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Seller pursuant to this Section 6.2 prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be abandoned after the Final Closing Date if such restraining order or injunction remains in effect. Seller shall take all reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

Section 6.3 FCC Authorization. The assignment of all of the FCC Authorizations to CCBL shall have been initially approved by the FCC.

Section 6.4 Intentionally Omitted.

Section 6.5 Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 8.2.

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

Section 7.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct except to the extent changes are permitted or contemplated pursuant to this Agreement.

(b) Seller shall have performed and complied 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.

(c) Seller shall have furnished Buyer with a certificate, dated the Closing Date and duly executed by the General Partner of Seller authorized on behalf of Seller to give such a certificate, to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

Section 7.2 Proceedings.

(a) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Subject Transactions.

(b) In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Buyer pursuant to this Section 7.2 prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be abandoned after such date if such restraining order or injunction remains in effect. Buyer shall take all reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

Section 7.3 FCC Authorization. The assignment of all of the FCC Authorizations to CCBL shall have been initially approved by the FCC (and, at Buyer's option, such FCC Consent shall have become Final), without any conditions materially adverse to Buyer.

Section 7.4 Hart-Scott-Rodino Act. If applicable, the waiting period under the Hart-Scott-Rodino Act shall have expired or been terminated.

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

Section 7.6 Required Consents. Seller shall have obtained all of the Required Consents.

Section 7.7 No Material Change. Seller's business shall not have been materially and adversely affected as of the Closing Date. No change shall be considered "materially adverse" if it arises out of or is related to the terms hereof or the Subject Transactions.

ARTICLE VIII

ITEMS TO BE DELIVERED AT THE CLOSING

Section 8.1 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) bills of sale, certificates of title, endorsements, assignments, and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to Buyer, sufficient to sell, convey, transfer and assign the FCC Authorizations to CCBL and the other Station Assets to CCB free and clear of any Liens (other than Permitted Encumbrances) and to quiet Buyer's title thereto;

(b) the FCC Consent and evidence of compliance by Seller with its obligations, and the Required Consents under Section 4.4 and any other Consents obtained by Seller;

(c) certified copies of resolutions, duly adopted by the partners of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the Subject Transactions;

(d) the certificate referred to in Section 7.1(c);

(e) an opinion of Seller's counsel in the form and substance satisfactory to Buyer;

(f) the Estoppel Certificates, Title Commitments and the Lien Search Reports; and

(g) the Non-Competition Agreement, duly executed by Seller.

Section 8.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller:

(a) the Purchase Price, which shall be paid in the manner specified in Section 1.4;

(b) an instrument or instruments of assumption of the Seller Contracts and Real Property leases to be assumed by CCB pursuant to this Agreement;

(c) certified copies of resolutions, duly adopted by the Boards of Directors of each Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by each Buyer of this Agreement and the consummation of the Subject Transactions; and

(d) the certificate referred to in Section 6.1(c).

ARTICLE IX

SURVIVAL; INDEMNIFICATION

Section 9.1 Survival. All representations, warranties, covenants and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive.

Section 9.2 Indemnification.

(a) From and after Closing, Seller (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Buyer, the directors, officers and employees of Buyer and all Affiliates of Buyer, and their respective successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for, the amount of any and all Deficiencies (as defined in Section 9.3(a)).

(b) From and after Closing, Buyer (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Seller, the directors, officers and employees of Seller and all Affiliates of Seller, and their respective successors and assigns (collectively, the "Seller Indemnitees") from, against and in respect of, and to reimburse the Seller Indemnitees for, the amount of any and all Deficiencies (as defined in Section 9.3(b)).

Section 9.3 Definition of "Deficiencies".

(a) As used in this Article IX, the term "Deficiencies" when asserted by Buyer Indemnitees or arising out of a third party claim against Buyer Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Buyer Indemnitees and arising out of, based upon or resulting from:

(i) any misrepresentation, breach of warranty, or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Seller contained in or made pursuant to this Agreement;

(ii) any error contained in any statement, report, certificate or other document or instrument delivered by Seller pursuant to this Agreement;

(iii) any failure by Seller to pay or perform any obligation relating to the Station or the Station Assets that is not expressly assumed by Buyer pursuant to the provisions of this Agreement;

(iv) any litigation, proceeding or claim by any third party relating to the business or operations of the Station or the Station Assets prior to the Closing Date no matter when brought or made;

(v) any severance pay or other payment required to be paid with respect to any employee of the Station; and

(vi) any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined in Section 9.6 below)).

(b) As used in this Article IX, the term "Deficiencies" when asserted by Seller Indemnitees or arising out of a third party claim against Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, based upon or resulting from:

(i) any misrepresentation, breach of warranty, or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Buyer contained in or made pursuant to this Agreement;

(ii) any error contained in any statement, report, certificate or other document or instrument delivered by Buyer pursuant to this Agreement;

(iii) any failure by Buyer to pay or perform any obligation or liability relating to the Station that is expressly assumed by Buyer pursuant to the provisions of this Agreement;

(iv) any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Station after the Closing Date; and

(v) any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses).

Section 9.4 Procedures.

(a) In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the "Indemnitees"), which, if sustained, would result in a Deficiency, then the Indemnitees, as promptly as practicable after learning of such claim, shall notify the Indemnifying Party of such claim, and shall extend to the Indemnifying Party a reasonable opportunity to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (A) prior to such settlement or compromise the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses; and (B) the Indemnitees are furnished with a full release.

(b) In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, they shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of thirty (30) calendar days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the 'Contest Notice'), such assertion of the

Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within said 30-day period, then the contested assertion of a Deficiency shall be settled by arbitration to be held in San Antonio, Texas in accordance with the Commercial Rules of the American Arbitration Association then existing. The determination of the arbitrator shall be delivered in writing to the Indemnifying Party and the Indemnitees and shall be final, binding and conclusive upon all of the parties hereto, and the amount of the Deficiency, if any, determined to exist, shall be deemed established.

(c) The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, upon the execution of such agreement, such Deficiency shall be deemed established.

Section 9.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within fifteen (15) calendar days after the establishment thereof. The amount of established Deficiencies shall be paid in cash. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party.

Section 9.6 Legal Expenses. As used in this Article IX, the term "Legal Expenses" shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

ARTICLE X

MISCELLANEOUS

Section 10.1 Termination. This Agreement may be terminated at any time prior to Closing: (a) by the mutual consent of Seller and Buyer; (b) by Buyer or Seller, if the FCC has denied the approvals contemplated by this Agreement in an order which has become Final; (c) by Buyer or Seller, if the Closing has not taken place by the Final Closing Date for reasons other than through the failure of the party seeking to terminate this Agreement to comply fully with its obligations under this Agreement; (d) by Buyer, as provided in Section 2.14 (Environmental Matters), Section 10.8 (Broadcast Transmission Interruption) or Section 10.9 (Risk of Loss); (e) by Buyer, if on the Closing Date, Seller has failed to satisfy the conditions set forth in Section 7.1, 7.5, 7.6 or 7.7; (f) by Buyer, if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) calendar days after it receives notice from Buyer of such breach; (g) by Seller, if on the Closing Date, Buyer has failed to satisfy the conditions set forth in Section 6.1 or 6.5; (h) by Seller, if Buyer has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) calendar days after it receives notice from Seller of such breach; or (i) by Buyer if within thirty (30) calendar days of the execution of this Agreement, Buyer

delivers written notice to Seller that Buyer has completed its due diligence and found the results to be materially unsatisfactory. A termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

Section 10.2 Specific Performance. The parties acknowledge that each Station is of a special, unique and extraordinary character, and that damages alone are an inadequate remedy for a breach of this Agreement. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required. Such right of specific performance or injunctive relief shall be in addition to, and not in lieu of, Seller's and Buyer's right to recover damages and to pursue any other remedies available for breach. In any action by Seller or Buyer to specifically enforce the breaching party's obligation to close the transactions contemplated by this Agreement, the breaching party shall waive the defense that there is an adequate remedy at law or in equity and agrees that the other party shall be entitled to obtain specific performance of the breaching party's obligation to close without being required to prove actual damages. As a condition to seeking specific performance, Buyer shall not be required to tender the Purchase Price as contemplated by Section 1.4 but shall be required to demonstrate that Buyer is ready, willing and able to tender the Purchase Price as contemplated by such Section.

Section 10.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the Subject Transactions including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, that: (i) Seller and Buyer shall each pay one-half of the FCC filing fees required to be paid in connection with the Application; and (ii) Seller shall pay, and Buyer shall not have any liability or responsibility for, any sales or transfer taxes (including, without limitation, any real estate transfer taxes), arising from the transfer of the Station Assets to Buyer.

Section 10.4 Bulk Sales Laws. Seller agrees to indemnify and hold Buyer harmless, in the manner and to the extent provided in Article IX, from all claims made by creditors with respect to non-compliance with any bulk sales law.

Section 10.5 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

Section 10.6 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 Subject Transactions 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 Subject Transactions. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

Section 10.7 Public Announcements.

(a) 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 Subject Transactions, except (i) to announce it has been entered into, and (ii) as and to the extent that such party shall be so obligated by law, 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.

(b) Notwithstanding the foregoing, the parties acknowledge that the rules and regulations of the FCC require that public notice of the Subject Transactions be made after the Application has been filed with the FCC. The form and substance of such public notice, to the extent not dictated by the Communications Act or the rules and regulations of the FCC, shall be mutually agreed upon by Seller and Buyer.

Section 10.8 Broadcast Transmission Interruption. If, before the Closing, the regular broadcast transmission of any Station in the normal and usual manner is interrupted for a period of two (2) consecutive hours or more, Seller shall give the prompt written notice thereof to Buyer. Buyer shall then have the right, by giving written notice to Seller, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) calendar days after the end of any such interruption. If regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of eighteen (18) hours or more at any time prior to Closing Date, then (a) Seller immediately shall give written notice thereof to Buyer and (b) Buyer shall have the right, by giving written notice to Seller, to (i) terminate this Agreement, or (ii) postpone the Closing as provided above.

Section 10.9 Risk of Loss. The risk of loss, damage or destruction to any of the Station Assets shall be borne by Seller at all times up to 12:01 a.m. local time on the Closing Date, and it shall be the responsibility of Seller to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction. In the event of any such loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Station Assets, Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the subject property is not completely repaired, replaced or restored on or before the scheduled Closing Date, Buyer, at its option, may: (a) elect to postpone Closing until such time as the property has been completely repaired, replaced or restored (and, if necessary, Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) elect to consummate the Closing and accept the subject

property in its then-current condition, in which event Seller shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement.

Section 10.10 Arbitration. In case any disagreement shall arise on or before the Closing Date between the parties hereto in relation to this Agreement, whether as to the construction or operation hereof or the respective rights and liabilities hereunder, such disagreement shall be decided by arbitration in accordance with the then-current Commercial Rules of the American Arbitration Association, to the extent that such rules do not conflict with the terms of this Section 10.10. All arbitration shall be conducted in San Antonio, Texas. Arbitration shall be initiated by either party giving written notice to arbitrate to the other party, stating the question to be arbitrated and the name of the arbitrator selected by that party. Within five (5) calendar days of the date of said notice to arbitrate, the other party shall select and give written notice of its arbitrator to the initiating party. The two arbitrators so selected shall select a third arbitrator and give written notice within five (5) calendar days after the third arbitrator is chosen. The arbitration shall be conducted solely by the third arbitrator, who shall hear evidence and make an award within twenty (20) calendar days after the notice of selection of the third arbitrator is given to the parties, which award, when signed by the third arbitrator, shall be final. If either party shall refuse or neglect to appoint an arbitrator within five (5) calendar days after the other shall have appointed an arbitrator and given written notice to arbitrate to the other, requiring such party to appoint an arbitrator, then the arbitrator so appointed by the first party shall have power to proceed to arbitrate and determine the matters of disagreement as if he were an arbitrator appointed by both the parties hereto for that purpose, and his award in writing signed by him shall be final; provided that such award shall be made within fifteen (15) calendar days after such refusal or neglect of the other party to appoint an arbitrator. The party against which such award is made shall pay all costs and expenses of the arbitration. The Closing Date shall be automatically postponed during any such arbitration, but not beyond the Final Closing Date. Nothing herein shall prevent Buyer from obtaining an injunction, decree of specific performance or other equitable relief from any court.

Section 10.11 Rescission of Agreement. If the Closing occurs prior to a Final FCC Consent, and prior to becoming Final the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the reassignment of the FCC Authorizations to Seller, then Seller and Buyer agree that the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price and reassume the Seller Contracts assigned and assumed by Buyer at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) calendar days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Seller Contracts assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission. Seller's and Buyer's obligations under this Section 10.11 shall survive the Closing.

Section 10.12 Application for FCC Consent. As soon as possible (but in no event later than seven (7) calendar days after the date of this Agreement), Seller and Buyer shall join in

filing an application with the FCC (the "Application") requesting the FCC's written consent to the assignment of the Station's FCC Authorizations to CCBL and for the consummation of the Subject Transactions. Seller shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Seller shall promptly provide Buyer with a copy of any pleading, order or other document served on Seller relating to the Application. Seller shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider the Application. The FCC's written consent to the Application is referred to herein as the "FCC Consent". In the event that Closing occurs hereunder prior to the receipt of a Final FCC Consent, then Seller's obligations under this Section 10.12 shall survive the Closing. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated. Upon written request of Buyer, Seller agrees to take all steps necessary, proper or desirable to obtain extension(s) of the Final FCC Consent; provided, however, that in no event shall Seller be obligated to request an extension of the Final FCC Consent to a date beyond the Final Closing Date.

Section 10.13 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is by law non-assignable without the consent of the other party or parties thereto, unless such consent shall be given.

Section 10.14 Section 1031 Exchange. Buyer intends that the transfer of all or part of the Station Assets contemplated by this Agreement will be part of an exchange of assets that will qualify, pursuant to Section 1031 of the Code, and regulations thereunder, as a deferred like-kind exchange by Buyer. In keeping with that intention, it is expressly acknowledged that Buyer, its assignee or transferee, may, at or prior to Closing, assign, subject to Section 11.1, its rights (in whole or in part) under this Agreement to a qualified intermediary as defined in Treasury regulation section 1.1031(k)-1(g)(4), or a similar entity or arrangement ("Qualified Intermediary"), subject to all of Buyer's rights and obligations herein and shall promptly provide written notice of such assignment to Seller. Seller shall cooperate with the reasonable requests of Buyer's Qualified Intermediary in arranging and effecting this exchange under Section 1031 of the Code. Without limiting the generality of the foregoing, if Buyer has given notice of its intention to effect an exchange using a Qualified Intermediary, Seller shall promptly provide Buyer with written acknowledgment of such notice, and the Qualified Intermediary shall pay the purchase price for any Station Assets identified by Buyer to be included in a like-kind exchange to Seller, and such payment shall satisfy the obligations of Buyer to make payment for those Station Assets. Notwithstanding the foregoing, Buyer's assignment to a Qualified Intermediary will not relieve Buyer of any of its duties or obligations herein. Except for the obligations of Seller set forth in this Section 10.14, Seller shall not have any liability or obligation to Buyer for the failure of the contemplated exchange to qualify as a like-kind exchange under Section 1031

of the Code unless such failure is the result of the material breach by Seller of its representations, warranties, covenants and obligations herein.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 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. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer, and any such attempted assignment or delegation without such consent shall be void. Buyer may assign its rights and obligations hereunder in whole or in part without Seller's consent.

Section 11.2 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.

Section 11.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

(a) if to Seller, then to: Sheldon Communications, Ltd.
719 Dove Lane
Graford, Texas 76449
Attention: Ken Williams
Telecopier No.: 940-779-2090

with a copy (which shall not constitute notice) to: Messer, Potts & Messer
118 South East Street
Belton, Texas 76513
Attention: Neale Potts, Esquire
Telecopier No.: 254-939-0990

(b) if to Buyer, then to:

Clear Channel Broadcasting, Inc.
200 E. Basse Rd.
San Antonio, Texas 78209
Attention: Mark P. Mays
Telecopier No.: (210) 822-2299

with a copy (which shall not
constitute notice) to:

Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Attention: Richard J. Bodorff, Esq.
Telecopier No.: (202) 429-7209

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice. Any such notice or communication shall be deemed to have been received (i) when delivered, if personally delivered, (ii) when sent, if sent by telecopy on any day that is not a Saturday, Sunday, legal holiday or other day on which banks in San Antonio, Texas are required to be closed (each a "Business Day") (or, if not sent on a Business Day, on the next Business Day after the date sent by telecopy), (iii) on the next Business Day after dispatch, if sent by nationally recognized, overnight courier guaranteeing next Business Day delivery, and (iv) on the fifth Business Day following the date on which the piece of mail containing such communication is posted, if sent by mail.

Section 11.4 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.

Section 11.5 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.

Section 11.6 Entire Agreement. This Agreement, together with all Exhibits and Schedules attached hereto, 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.

Section 11.7 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.


[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

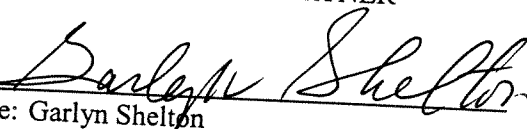
BUYER:

CLEAR CHANNEL BROADCASTING, INC.
CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: 
Name: Michael L. Gayler
Title: **VP/Associate General
Counsel Labor**

SELLER:

SHELDON COMMUNICATIONS, LTD.,
BY: SHELDON HOLDINGS, INC.,
GENERAL PARTNER

By: 
Name: Garlyn Shelton
Title: **President**

Schedules

- 1.1(a) - Licenses and Authorizations
- 1.1(b) - Tangible Personal Property
- 1.1(c) - Real Property
- 1.1(e) - Contracts
- 1.1(f) - Intangible Property
- 1.4(c) - Allocation of Purchase Price
- 2.11 - Consents
- 2.16 - Insurance Policies
- 2.17 - Employment Matters

Exhibits

- Exhibit A - Non-Competition Agreement
- Exhibit B - Local Programming and Marketing Agreement

NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT (this "Agreement") is made as of _____, 2001, by and among Garlyn Shelton and _____ (together, the "Individual Parties"), Sheldon Communications, Ltd., a limited partnership ("Seller"), and Clear Channel Broadcasting, Inc. ("CCB").

WITNESSETH:

WHEREAS, pursuant to an Asset Purchase Agreement (the "Purchase Agreement"), dated _____ 2001, CCB and Clear Channel Broadcasting Licenses, Inc., a Nevada corporation ("CCBL" and, together with CCB, "Buyer"), have purchased the Station Assets (as defined in the Purchase Agreement) used and useful in the operation of KLFX(FM) (the "Station") from Seller.

WHEREAS, the Individual Parties are limited partners of Seller.

WHEREAS, at Buyer's request, Seller and the Individual Parties have agreed to forego their rights to compete with Buyer, subject to the conditions of this Agreement.

NOW, THEREFORE, in consideration of the agreements contained herein and in the Purchase Agreement, the sufficiency and adequacy of the consideration being acknowledged by the parties hereby, it is mutually stipulated, covenanted and agreed by and between the parties as follows:

Section 1. Non-Compete and Non-Solicitation Agreements.

(a) Seller covenants and agrees that, for a period of five (5) years after the date of this Agreement, it shall not (i) Compete (as defined below) with CCB in accordance with the limitations set forth below in this Section 1 or (ii) solicit or induce any employee of CCB who was an employee of Seller or an employee of CCB in the same radio listening market (as designated by The Arbitron Company) as the Station to terminate his or her employment with CCB or to become an employee or independent contractor of Seller.

(b) Each of the Individual Parties covenants and agrees that, for a period of five (5) years after the date of this Agreement, such Individual Party shall not (i) Compete with CCB in accordance with the limitations set forth below in this Section 1 or (ii) solicit or induce any employee of CCB who was an employee of Seller or an employee of CCB in the same radio listening market (as designated by The Arbitron Company) as the Station to terminate his or her employment with CCB or to become an employee or independent contractor of Seller.

(c) To "Compete" with CCB means to engage, participate or invest in or assist, as owner, part owner, shareholder, partner, director, officer, trustee, employee, agent or consultant, or in any other capacity, directly or indirectly, in any commercial radio broadcast station that has a primary service contour (the 1.0 mV/m contour) that intersects with the primary service contour of any of the

Station. Ownership interests by Seller or the Individual Parties of less than five percent (5%) of publicly owned companies will not be taken into account.

(d) Each restriction or covenant contained in this Section 1 is severable. If the time period, geographical area specified, or any of the substantive provisions in any Section of this Agreement should be adjudicated as unreasonable in any proceeding, then the time period shall be reduced by such number of months or years, the geographical area shall be reduced by the elimination of such portion thereof, or the substance shall be reduced in scope, or a combination of the foregoing, so that each such restriction or covenant may be enforced for such time period, in such geographical area and to the extent as is adjudicated to be reasonable.

(e) This Non-competition Agreement shall not apply to the continued operation of any of Seller's or the Individual Parties' existing broadcast operations.

Section 2. Payment. For and in consideration of Seller and the Individual Parties entering into this Agreement, Buyer has purchased the Station for a cash price, a portion of which will be allocated to this Agreement pursuant to the terms of the Purchase Agreement. The Individual Parties acknowledge that they are beneficiaries of that payment.

Section 3. Remedies. In the event that Seller or the Individual Parties defaults under this Agreement, then and in that event, CCB, as CCB's sole and exclusive remedy, shall be entitled to injunctive relief. Seller and the Individual Parties expressly acknowledge and agree that any breach of this Agreement is likely to result in an injury of a nature which would justify the entry of an injunction and a temporary restraining order to restrain such breach, and that CCB shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction or to enjoin Seller from activities in violation of this Agreement.

Section 4. Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective heirs, representatives, successors and assigns. No party may assign any of its rights hereunder; provided, however, that CCB may assign all or part of its rights hereunder to a third party in the event of the sale of any of the materially controlling assets of the Station.

Section 5. Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged 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.

Section 6. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile

transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

if to Seller: Sheldon Communications, Ltd.
719 Dove Lane
Graford, Texas 76449
Attention: Ken Williams
Telecopier No.: 940-779-2090

with a copy (which shall
not constitute notice) to: Messer, Potts & Messer
118 South East Street
Belton, Texas 76513
Attention: Neale Potts, Esquire
Telecopier No.: 254-939-0990

if to Individual Parties: Garlyn Sheldon

Attention: _____
Facsimile No.: _____

with a copy (which shall
not constitute notice) to: _____

Attention: _____
Facsimile No.: _____

if to CCB: Clear Channel Broadcasting, Inc.
200 E. Basse Road
San Antonio, Texas 78209
Attention: Mark P. Mays
Facsimile: (210) 822-2299

with a copy (which shall
not constitute notice) to: Clear Channel Broadcasting, Inc.
200 E. Basse Road
San Antonio, Texas 78209
Attention: Kenneth E. Wyker
Facsimile: (210) 832-3428

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice. Any such notice or communication shall be deemed to have been received (i) when delivered, if personally delivered, (ii) when sent, if sent by telecopy on any day that is not a Saturday, Sunday, legal holiday or other day on which banks in San Antonio, Texas are required to be closed (each a "Business Day") (or, if not sent on a Business Day, on the next Business Day after the date sent by telecopy), (iii) on the next Business Day after dispatch, if sent by nationally recognized, overnight courier guaranteeing next Business Day delivery, and (iv) on the fifth Business Day following the date on which the piece of mail containing such communication is posted, if sent by mail.

Section 7. Captions. The captions of 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.

Section 8. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to its subject matter and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to its subject matter. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

Section 9. Execution; 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.

Section 10. Gender and Number. Where appropriate to the context, pronouns or other terms expressed in one number or gender will be deemed to include all other numbers or genders. The word "person" will include one or more individuals, corporations, firms, partnerships, entities or associations. The use of a word in one tense will include the other tenses, where appropriate to the context.

Section 11. Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other person, entity, enterprise or association is an intended or incidental beneficiary of this Agreement.

Section 12. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed in such jurisdiction, without giving effect to any conflicts of laws principles thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Non-Competition Agreement to be executed on their behalf on the date first above written.


Ken Williams


Don Grobowski

SELLER:

Sheldon Communications, Ltd.

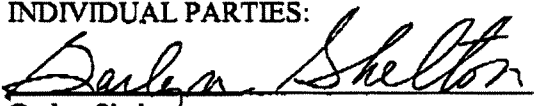
By: Sheldon Holding, Inc., General Partner

By: 

Name: Garyln Shelton

Title: President

INDIVIDUAL PARTIES:


Garyln Shelton

CCB:

CLEAR CHANNEL BROADCASTING, INC.

By: _____

Name: _____

Title: _____

LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement ("Agreement") is made as of August 3, 2001, by and between Sheldon Communications, Ltd. ("Licensee"), and Clear Channel Broadcasting, Inc. a Nevada corporation ("Programmer").

Recitals

A. Licensee owns and operates radio station KLFX(FM) licensed to Nolanville, Texas (the "Station") licensed by the Federal Communications Commission (the "FCC") to serve its community of license, and desires to sell to Programmer airtime for the broadcast of programs produced by Programmer on the Station.

B. Programmer has available and is producing radio programs that it desires to have broadcast on Station and therefore desires to purchase airtime from Licensee for the broadcast of such programs.

C. Licensee has agreed to make available to Programmer airtime on the Station and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the foregoing premises, the mutual covenants contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Agreement Term. The term of this Agreement (the "Term") will begin on the date hereof and will continue until July 30, 2003, unless earlier terminated in accordance with the provisions set forth in Section 9 or Section 15 hereof.

2. Programmer's Purchase of Airtime and Provision of Programming. Programmer

shall purchase from Licensee airtime on the Station for the price and on the terms specified below, and shall transmit to Licensee programming that it produces or owns (the "Program" or "Programs") for broadcast on the Station twenty-four (24) hours per day, seven (7) days per week (the "Broadcasting Period"). Programmer will originate its Programs from the Premises or otherwise transmit its Programs to the Station's transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards at least equal to those of the Station's broadcasts prior to commencement of the Term.

3. Broadcasting Obligations. In return for the payments to be made by Programmer hereunder, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 7 below, and to the right of Licensee to reject any Program or Programs which do not meet Licensee's technical standards, as set forth in Section 2 above.

4. Advertising Sales. Programmer will be exclusively responsible for the sale of such advertising on the Station and for the collection of accounts receivable arising from its sale of advertising for the hours during which it is responsible for programming the Station. At its election, Programmer may sell advertising on the Station in combination with advertising on other stations owned or operated by Programmer, provided that advertisers will remain able to purchase advertising only on the Station if they so desire. All contracts for advertising on the Station which may be entered into by Programmer shall terminate upon the termination of this Agreement.

5. Payments for Broadcasting. For the broadcast of the Programs, Programmer will (i) reimburse expenses as set forth in Paragraph 13 hereof, and (ii) for every calendar month beginning on the date hereof and continuing through the term, Programmer will pay to Licensee

the sum of

payable in arrears on or before the first calendar day of the following month. If the Term does not begin on the first of a month or does not end on the last of a month, the sum payable under this section shall be prorated for such a month.

6. Delivery of Programs. Licensee shall immediately begin broadcasting the Programs in accordance with Section 3 above.

7. Operation, Ownership and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Station, it will have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term of this Agreement. Licensee will bear the responsibility for the Station's compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (1) employ a full-time Station Manager for the Station, who will report to Licensee and will direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with the Programmer, (2) employ a full time assistant to the Station Manager who will report and be solely accountable to Licensee and who shall have no employment, consulting, or other relationship with Programmer, and (3) retain control over the policies, programming and operations of the Station, including the right to preempt any programming it deems unsuitable or contrary to the public interest. Nothing contained herein shall prevent or hinder Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b) substituting a program (or programs) which Licensee believes to be of greater local or national importance or which is (or are) designed to address the problems, needs and interests of the community of license of the Station. If in any month Licensee preempts any Program(s) pursuant to the preceding clause, Licensee shall refund to Programmer such portion of the

monthly payment made to Licensee pursuant to Section 5.1 hereof as the total time preempted bears to the total amount of time in the Broadcasting Period for such month. Licensee reserves the right to refuse to broadcast any Program containing matter which is violative of, or which Licensee reasonably believes violates, or which a third party claims to violate, any right of any third party. Licensee also reserves the right to refuse to broadcast any Program that does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 12 or in Schedule A hereto. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy set forth in 47 C.F.R. Sections 73.1212 and 73.4242, and as this policy may be changed from time to time by the FCC. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review and inclusion in its public inspection file. By executing this Agreement, (a) Programmer certifies that the brokerage of time on the Station in the manner contemplated by this Agreement will comply with the provisions of Section 73.3555 (a), (c), and (d) of the FCC's multiple ownership rules, and (b) Licensee certifies that in the performance of this Agreement, it will maintain ultimate control over the Station's facilities, including, specifically, ultimate control over the Station's finances, personnel, and programming. The parties shall comply with the public file requirements set forth in Section 73.3526(e)(14) of the FCC's rules.

8. Maintenance of Signal. Licensee shall maintain the operating power of the Station at the maximum level authorized by the FCC for the Station throughout the Term and shall repair and maintain the Station's tower and transmitter site and equipment in good working order.

9. Special Rights to Terminate. Either party to this Agreement may terminate this Agreement if (a) the FCC's policies or rules change in a manner that would require such termination by providing the other party with ten (10) days' advance written; or (b) that certain Asset Purchase Agreement by and between Programmer and Clear Channel Broadcasting Licenses, Inc. and Licensee of even date herewith (the "Sales Agreement") terminates without a closing of the sale and the party desiring termination of this agreement was not in default of the Sales Agreement.

11. Music Licenses. During the Term, Licensee will obtain and maintain in full force and effect in its own name all music licenses ("Music Licenses") as are currently operative with respect to the Station and as will be required by the licensor of those Music Licenses. All Music Licenses fees that are Licensee obligation shall be paid by Programmer.

12. Programs.

12.1 Production of the Programs. Licensee acknowledges that it is familiar with the type of programming Programmer currently produces and has determined that the broadcast of such programming on the Station would serve the public interest. In producing the Programs to be broadcast on the Station, Programmer will abide by the regulations and restrictions set forth in Schedule 12.1 to this Agreement. Programmer agrees that the contents of the Programs it transmits to Licensee shall conform to all FCC rules, regulations and policies. Programmer agrees that it will consult with Licensee in the selection of the Programs it transmits to Licensee to ensure that the Programs' content contains matters responsive to issues of public concern in the communities of license of the Station, as those issues are made known to Programmer by Licensee. Licensee acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of the Programs, and all parts thereof, and the right to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Programmer.

12.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC and the provisions of Section 315 of the Communications Act of 1934, as amended; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

13. Expenses. During the Term, Programmer will be responsible for (i) the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs supplied to Licensee, (ii) the costs of delivering the Programs to Licensee. Programmer will use its own production facilities to create the Programs, which may include the facilities to be subleased from Licensee pursuant to Section 16.1. Licensee will pay for the maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain Station broadcast operations in accordance with FCC rules and policies and applicable. Licensee will also pay for all utilities supplied to its transmitter sites. Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel. Programmer shall reimburse Licensee for certain of the above expenses of Licensee as provided on Exhibit A to this Agreement.

14. Call Signs. Licensee will retain any rights it has to the call letters KLFX(FM) for

the Station or any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify the Station by call letters used by Licensee for the Station, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use the call letters KLFX(FM) for the Station for other call letters used by Licensee for the Station, in its Programs and in any promotional material, in any media, used in connection with the Programs.

15. Events of Default: Termination.

15.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement:

- (a) Programmer fails to make timely payments in full as provided for in Section 5 of this Agreement;
- (b) Programmer fails to observe or perform any other covenant, condition or obligation contained in this Agreement; or
- (c) Breach or violation by Programmer of any representation or warranty made by it under this Agreement.

15.2 Licensee Events of Default. The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement:

- (a) Licensee fails to observe or perform any covenant, condition or obligation to be performed by Licensee which is contained in this Agreement; or
- (b) Breach or violation by Licensee of any representation or warranty made by it under this Agreement.

15.3 Cure Period. Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until fifteen (15) days after the non-defaulting party has provided the defaulting party with written notice specifying the Event(s) of Default and such Event(s) of Default remain(s) uncured.

15.4 Termination in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 15.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party. In the event of such termination by Programmer, Licensee shall refund to Programmer the pro rata portion of the payments which Programmer has made to Licensee pursuant to Section 5.1 for the unused portion of the Broadcasting Period.

15.5 Cooperation Upon Termination. If this Agreement shall be terminated, for whatever reason, the parties agree to cooperate with one another and to take all actions necessary to rescind this Agreement and return the parties to the status quo ante, subject to the provisions of Section 16.5.

16. Intentionally Omitted.

17. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the Programs. Further, Programmer warrants that the broadcasting of the Programs will not violate any rights of any third party, and Programmer agrees to indemnify and hold the Station, and Licensee's officers, directors, agents, stockholders, and employees harmless against any claim, damages, liability, costs and expenses, including counsel fees (at trial and on appeal), arising from the production and/or broadcasting of

the Programs. Programmers' obligation to hold Licensee harmless under this Section shall survive any termination of this Agreement;

18. Authority. Programmer and Licensee each represent and warrant the following (i) each have the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement, (ii) is a business entity which is in good standing in the state of its formation and qualified to do business in such state and in the State of Texas, (iii) the signatures appearing for Programmer and Licensee, respectively, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them, and (iv) neither the execution, delivery, nor performance by Licensee or Programmer of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any agreement to which Licensee or Programmer, respectively, is a party or by which either of them is bound.

19. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by both parties. No failure or delay on the part of Programmer or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

20. Assignability; No Third Party Rights. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of the other party to such assignment. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other

than the parties hereto and their permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. Programmer shall not enter into a local programming and marketing agreement such as this Agreement with any third party without the advance written consent of Licensee.

21. Construction. This Agreement will be construed in accordance with the laws of the State of Maine without regard to principles of conflicts of laws.

22. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

23. Notice. Any notice required under this Agreement must be in writing. Any payment, notice or other communication will be deemed given when delivered personally, or mailed by certified mail or recognized overnight courier, postage prepaid, addressed as follows (or to such other address designated in writing upon due notice to the other party):

To Licensee:

Sheldon Communications, Ltd.
719 Dove Lane
Graford, Texas 76449
Attention: Ken Williams
Telecopier No.: 940-779-2090

With a copy to:

Messer, Potts & Messer
118 South East Street
Belton, Texas 76513
Attention: Neale Potts, Esquire
Telecopier No.: 254-939-0990

To Programmer:

Clear Channel Broadcasting, Inc.
200 E. Basse Road

San Antonio, Texas 78209
Attn: Legal Department

24. Entire Agreement. This Agreement embodies the entire agreement, and supersedes all prior oral or written understandings, between the parties with respect to the subject matter of this Agreement.

25. Relationship of Parties. Neither the Programmer nor Licensee will be deemed to be the agent, partner, or representative of the other party to this Agreement, and neither party is authorized to bind the other to any contract, agreement, or understanding.

26. Force Majeure and Facilities Upgrades. The failure of either party hereto to comply with its obligations under this Agreement due to (i) the need to perform construction at the transmitter site or to move the transmitter site in response to FCC authorization of an improvement to or modification of the Station's operating parameters, or (ii) acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's control, will not constitute an Event of Default under Section 15 of this Agreement and neither party will be liable to the other party therefore, except that:

(a) any resulting failure of Licensee to broadcast the Programs beyond a brief interruption in service, not to exceed five (5) hours, due to causes beyond Licensee's control shall entitle Programmer to a pro rata reduction in the payment required under Section 5.1 of this Agreement with respect to periods during which Licensee facilities failed or were impaired or were not furnished, and

b) any resulting failure of Licensee to broadcast the Programs for ten (10) or more consecutive days shall entitle Programmer to terminate this Agreement by providing Licensee notice of Programmer's decision to terminate.

Programmer and Licensee each agrees to exercise its best efforts to remedy the conditions in parts

"i" and "ii" of this Section as soon as practicable.

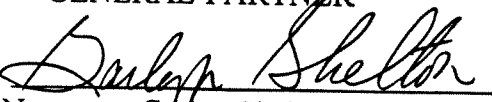
27. Subject to Laws: Partial Invalidity. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

28. Headings. The headings of the various provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

29. Successors and Assigns. Subject to the provisions of Sections 10 above, this Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives, each as of the date first above written.

SHELDON COMMUNICATIONS, LTD.,
BY: SHELDON HOLDINGS, INC.,
GENERAL PARTNER

By: 
Name: Garlyn Shelton
Title: President

CLEAR CHANNEL BROADCASTING,
INC.

By: ML Gayler

Name: _____

Title: Michael L. Gayler
VP/Associate General
Counsel Labor

SCHEDULE 12.1

REGULATIONS AND RESTRICTIONS

Programmer will take care to observe and exercise reasonable diligence to comply with the following regulations and restrictions in the preparation, writing and broadcasting of the Programs:

- . Respectful of Faiths. The subject of religion and references to particular faiths, tenets and customs will be treated with respect at all times.
- . No Attacks. The Programs will not be used as a medium for attack on any race, ethnic group, gender, nationality, disability, faith, denomination or sect or upon any individual or organization.
- . Controversial Issues. Any discussion of controversial issues of public importance will be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity or like personal qualities of any person or group of persons will be made during the discussion of controversial issues of public importance; and, during the course of political campaigns, the Programs are not to be used as a forum for editorializing about individual candidates.
- . No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited. No commercial messages ("plugs") or undue references shall be made in programming presented over the Station to any business venture, profit making activity or other interest (other than noncommercial announcements for bona fide charities, church activities or other public service activities) in which Programmer is directly or indirectly interested without the same having been approved in advance by the Station's General Manager and such broadcast being announced, logged and sponsored.
- . No Gambling. Any form of gambling on the Programs is prohibited.
- . Election Procedures. At least 90 days before the start of any election campaign, Programmer will clear with the Station's General Manager the rate that Programmer will charge for the time to be sold to candidates for public office or their supporters to make certain that such rate conforms with applicable law and Station policy.

. Required Announcements. Programmer will broadcast any announcements required by applicable law or station policy.

. Credit Terms Advertising. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms will be made over the Station beyond mention of the fact that, if desired, credit terms are available.

. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game will be made over the Station. Any game, contest or promotion relating to, or to be presented over, the Station must be fully stated and explained in advance to Licensee, which reserves the right, in its discretion to reject any game, contest or promotion.

. Licensee Discretion Paramount. In accordance with the Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which, in Licensee's judgment, would not serve the public interest.

. Programming Prohibitions. Programmer will not knowingly broadcast any of the following programs or announcements:

. False Claims. False, deceptive or unwarranted claims for any product or service.

. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy or any other unfair competition.

. Profanity and Foul Language. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

Licensee may waive any of the foregoing regulations and restrictions in specific instances if, in its opinion, good broadcasting in the public interest is served thereby.