LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between CATHRYN LONG CLARK, Independent Executrix of the Estate of John G. Long, Deceased, and JAMES M. ALLEN, Independent Administrator of the Estate of Mary Adams Long, Deceased, hereinafter called "Lessor" and NORTH STAR COMMUNICATIONS, INC., a Texas Corporation, hereinafter called "Lessee".

WITNESSETH:

I.

Lessor is the owner of that land described in Exhibit A attached hereto such land being hereinafter referred to as the "Leased Premises." There is located on the Leased Premises a radio studio building and transmitter tower (hereinafter referred to as the "Improvements") which have been sold by Bay Broadcasting, Ltd., a Texas limited partnership to Lessee by bill of sale of even date herewith. Neither of such Improvements constitute a part of the Leased Premises. However, this Lease establishes particular obligations of Lessee and rights of Lessor with respect to the Improvements. Lessor hereby leases to Lessee, and Lessee leases from Lessor the Leased Premises subject to the terms and conditions hereof.

II.

The term of this lease shall commence on the 22nd day of August, 1988, and shall terminate on the 21st day of August, 2013, unless sooner terminated as provided herein.

III.

Lessee shall pay to Lessor as the base rental for the Leased Premises during the term hereof monthly installments of $625.00 each, on the 1st day of each month during the term hereof commencing on the 1st day of September, 1988. All rental and other amounts of money to be paid by Lessee to Lessor shall be payable in Bay City, Matagorda County, Texas, at such specific address as may be designated by Lessor. The aforesaid base rental amount shall be subject to increase in the event the ad valorem taxes or any special assessments on the Leased Premises shall be increased by

any applicable taxing authority for any period of time above the amount of the ad valorem taxes for the year of 1988. The agreed allocated sum of the ad valorem taxes assessed by all taxing authorities on the Leased Premises for the year of 1988 is $1,216.90. In the event of any such tax increase or special assessment, Lessor shall give to Lessee written notice of each such increase. The amount of the increase in such taxes and the amount of any special assessment for the year in which such increase in taxes or special assessment becomes initially applicable shall be paid by Lessee to Lessor prior to the end of such year. Thereafter, 1/12 of the amount of each such increase shall be added to each of the subsequent twelve monthly installment payments due hereon for each calendar year or part thereof of the term hereof commencing on the first day of January of the year following each such increase in taxes or special assessment. The aforesaid rental amount shall be in addition to the payment and performance by Lessee of all additional obligations imposed on and assumed by it herein.

If the term of this Lease commences on other than the first day of a calendar month, then the installment of base rental for such month shall be prorated and the installment so prorated shall accrue and be paid on the first day of the next calendar month after the lease term commences. The payment for such prorated month shall be calculated by multiplying the rental by a fraction, the numerator of which shall be the number of days of the lease term occuring during said commencement month and the denominator of which shall be the total number of days occuring in said commencement month.

Effective as of the fifth anniversary of the commencement date of the term of this Lease, and on each fifth anniversary date thereafter, the base rental shall be adjusted and each adjustment shall be based on the United States Consumer Price Index for all Urban Consumers (the "CPI-U Indicator") as published bi-monthly, by the Bureau of Labor Statistics, U. S. Department of Labor. Such adjustment shall be determined by dividing the CPI-U Indicator in effect on each fifth anniversary date then in effect by the CPI-U Indicator published five years prior to the subject adjustment date and multiplying the resultant number by the annual base rental amount then in

effect; provided however, the adjusted annual base rent increase shall in no event be less than ten percent (10%) or more than fifteen percent (15%) of the most recent annual base rental amount.

IV.

Lessee shall use the Leased Premises for the purpose of conducting thereon a radio broadcast business and all activities incidental thereto. Lessee shall not be entitled to use the Leased Premises for any other purpose or purposes without the prior written consent of Lessor.

V.

Lessee, at its expense, shall comply with all federal, state municipal and other laws, ordinances, rules and regulations applicable to the Leased Premises and the business conducted thereon by it. Lessee shall further comply with all reasonable regulations as Lessor may require regarding matters of sanitation and cleanliness. Lessee shall not conduct its business on the Leased Premises in such a manner which could cause the hazard insurance coverage on the Leased Premises to be canceled; will not make any unlawful use of the Leased Premises and will not conduct its business on the Leased Premises in such a manner as to create a violation of any law or ordinances; and will not commit or allow to be committed any act on or about the Leased Premises which is a nuisance to Lessor, the owners of adjacent property, those persons in the general vicinity at the Leased Premises, or which might tend to injure or depreciate the Leased Premises.

VI.

Water is presently made available to the Leased Premises by a water well existing thereon. Lessee shall be obligated to maintain and repair such well at its sole expense, and Lessor shall not have any responsibility with respect thereto.

VII.

Lessee will use all reasonable efforts to not permit any mechanic's lien or liens to be placed upon the Leased Premises, the Improvements or any other property placed on the Leased Premises. If a mechanic's lien is filed on the Leased Premises, the Improvements or any other property on the Leased Premises, Lessee will promptly pay the lien. If default in payment of the lien continues for thirty (30) days after written notice from Lessor to Lessee; Lessor may, at his option, pay

the lien or any portion of it without inquiry as to its validity. Any amount paid by Lessor to remove a mechanic's lien filed against the Leased Premises, the Improvements or any other property on the Leased Premises, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately upon delivery of written notice, together with interest at the rate of ten percent (10%) per annum until repaid.

VIII.

Lessee shall, at its own expense and cost, keep the Improvements now or hereafter located on the Leased Premises and all appurtenances thereto, including the heating, air conditioning, electrical and plumbing system, in reasonably good repair and safe condition.

IX.

Lessee shall permit and allow Lessor or his representatives in and upon the Leased Premises from time to time to inspect the same and make such repairs to the Improvements as Lessor shall deem necessary for the proper protection and preservation thereof and Lessor's security interest therein, but this provision shall in no event obligate Lessor to make any such repairs, and any damages resulting from a failure to make proper repairs and to keep the Improvements in reasonably good and safe condition shall be the sole liability and obligation of Lessee In the event Lessor elects to make any such repairs to the Improvements, after having first given to Lessee ten (10) days advance written notice of any deficiency in the Improvements, and Lessee has failed to make such repairs specified by Lessor within such period of time; then the cost and expense of such repairs incurred by Lessor shall thereupon become an obligation of Lessee to Lessor and shall be paid to Lessor, together with interest thereon at the rate of ten percent (10%) per annum within thirty (30) days after written demand therefor.

X.

Lessee acknowledges that it has thoroughly examined the Leased Premises and the Improvements and made an adequate inspection thereof, and therefore accepts the Leased Premises together with the Improvements thereon in the condition in which the same now exist. Therefore, Lessor shall not be liable to Lessee, or any other persons for personal injuries or death or for damage

to property due to any condition of the Leased Premises or to the condition or design or any defect in the Improvements which may exist or subsequently occur; and Lessee, with respect to itself and its agents, employees, servants and invitees, hereby assumes all risk of injuries or death to persons and damage to property, either proximate or remote by reason of the present or future condition of the Leased Premises or the Improvements. Lessee agrees that it will indemnify and hold Lessor harmless of, from, and against all suits, claims, and actions of every kind by reason of any breach, violation, or non-performance of any of the terms or conditions on the part of Lessee hereunder. Additionally, Lessee agrees to indemnify and hold Lessor harmless of, from, and against all claims, actions, damages, liabilities, and expenses asserted against Lessor on account of injuries or death to persons or damage to property when and to the extent that any such damage, injury or death may be caused, either proximate or remote, wholly or in part by any act or omission, whether negligent or not, of Lessee or any of its agents, servants, employees, contractors, patrons or invitees or of any other person entering upon the Leased Premises under or with the express or implied invitation of Lessee, or if any such injury, death or damage may in any way arise from or out of the occupancy or use by Lessee, its agents, employees, and invitees of the Leased Premises.

XI.

Lessee shall deliver to Lessor a waiver of subrogation from each of the insurance companies issuing policies insuring the Improvements and all other property of Lessee which may exist at any time on the Leased Premises. Accordingly, in the event of any damage or destruction to any of Lessee's property on the Leased Premises, it agrees to look solely to its insurance for recovery; and, in behalf of any insurer providing insurance to it with respect to its property on the Leased Premises, it hereby waives any right of subrogation which said insurer may have or acquire against Lessor by virtue of payment of any loss under such insurance.

XII.

Lessee agrees to maintain at its own cost and expense throughout the term hereof public liability and property damage insurance in an amount and with a company reasonably acceptable to Lessor. Such policy shall name Lessor and Lessee as the insureds and shall be non-cancellable with

respect to Lessor except after thirty (30) days advance written notice. A copy of such policy shall be delivered to Lessor.

XIII.

Lessee hereby grants to Lessor a lien and security interest on the Improvements and on all other fixtures and personal property at anytime situated in or upon said Leased Premises to secure the payment of all rentals and other obligations payable and to become payable to Lessor hereunder and to secure the performance of all obligations of Lessee hereunder. This lien shall be cumulative of and in addition to all other express liens and security interests granted by Lessee to Lessor and to the landlord's lien and any and all other liens existing under any statute or law to secure the same, none of said liens being waived.

XIV.

If Lessee should fail to completely vacate the Leased Premises upon the expiration or termination of this lease, then Lessee shall pay as liquidated damages an amount equal to twice the regular monthly installments of rental for each month which it fails to vacate said premises. No holding over by Lessee after the termination or cancellation of this lease shall operate to extend the term of this lease for a period longer than one (1) month.

XV.

Lessee shall be in default under this Lease Agreement upon the occurrence of any one or more of the following events or conditions (herein called "Event of Default"):

A. Failure to pay the full amount of rental or any other payment required hereunder within ten (10) days after written notice of such failure is delivered by Lessor to Lessee; provided, however, that such ten (10) days notice period shall be inapplicable after Lessor has delivered notice of such failure to pay rent or any other payment to Lessee three (3) times during the term of this lease, in which event default hereunder shall occur upon the failure of Lessee to pay the full amount of rental or any other payment on the date required without the necessity of prior notice of such failure having been given to Lessee.

B. The failure of Lessee to perform or comply with any of its other obligations hereunder within thirty (30) days after written notice of such specific failure to perform or to comply having been delivered by Lessor to Lessee.

C. Lessee's dissolution, termination. of existence, insolvency or business failure, or an assignment by Lessee for the benefit of creditors or the commission of act of bankruptcy, or the institution of voluntary or involuntary bankruptcy proceedings, or the taking over of Lessee's leasehold interest in this lease by a receiver for Lessee or the placing of Lessee's leasehold.interest in this lease in the custody of any court or an officer or appointee thereof.

XVI.

Upon the occurrence of an Event of Default as set forth in Paragraph XV hereof, Lessor shall be entitled to the following remedies:

A. Lessor may accelerate the rent for the balance of the term hereof and declare the entire amount thereof immediately due and payable.

B. Lessor may elect to terminate this lease.

C. Lessor may elect, without terminating this lease, to terminate Lessee's right to possession of the Leased Premises. In such event, Lessor may rent the Leased Premises or any part thereof to any person or persons at such rental (granting reasonable concessions if necessary) and for such period of time as Lessor determines practicable, for the account of Lessee, and credit to Lessee any rental thus received, less the expenses of repossession, preparing the Leased Premises for reletting and the reletting thereof. Lessee shall be liable for any deficiency of such rental below the total rental herein provided for the unexpired balance of the term, and such sum or sums shall be paid by Lessee in monthly installments on the rental payment dates as specified herein. Suits to enforce such liability may be brought by Lessor at any time and from time to time on one or more occasions. Lessor shall in no event be liable for failure to relet the Leased Premises; or if the Leased Premises are reletted, for failure to collect the rent under such reletting.

D. Irrespective of whether Lessor elects to terminate this lease or, without terminating the lease, to terminate Lessee's right to possession of the Leased Premises; Lessor may, without additional notice and without court proceedings, re-enter and repossess the Leased Premises and may, at Lessor's option, retain all Improvements, other fixtures, and all personal property thereon or Lessor may remove at Lessee's expense all of said Improvements, other fixtures and personal property from the Leased Premises, using such force as may be reasonable necessary, Lessee hereby waiving any claim arising by reason of such re-entry, repossession or removal or by reason of issuance of any distress warrant or writ of sequestration and agreeing to hold Lessor harmless of any such claims.

Each right and remedy to which Lessor may be entitled upon the occurrence of an Event of Default, including those expressly set forth herein, those set forth in any other documents executed in connection herewith, and those granted by law, are cumulative; and, upon an occurrence of an Event of Default, Lessor may proceed, at his option, with any one or more available remedies with respect to this Lease Agreement. Any act or omission to act by Lessor in connection with any such available remedy or remedies shall not constitute an election of remedies or the waiver or abandonment of any other remedy.

XVII.

Neither the acceptance of rent by Lessor nor the failure by Lessor to complain of any action, non-action or default of Lessee shall constitute a waiver of any of Lessor's rights hereunder. Waiver by Lessor of any right for any default of Lessee shall not constitute a waiver of any right for either a subsequent default of the same obligation or for any other default.

XVIII.

Any notices or communications to be given to either party hereunder shall be given in writing and may be effected by personal delivery or by registered or certified United States mail with postage prepaid as follows:

In the case of Lessor: Cathryn Long Clark, Executrix
Box 690
Van Vleck, Texas 77482

In the case of Lessee. North Star Communications, Inc.
3900 Essex Lane, Suite 1100
Houston, Texas 77027

Either party hereto may designate by the prescribed written notice to the other a different address with respect to notices to be furnished to such party.

If notice is effected by personal delivery hereunder, the date and hour at which such delivery was effected shall fix the time of giving of notice. In the event notice is effected by registered or certified United States mail hereunder, the date and hour that the envelope (properly addressed, sealed and with postage prepaid) containing such notice is deposited with a registry clerk of any United States Post Office in Matagorda County, Texas shall fix the time of giving of notice.

XIX.

Upon the expiration of the term of this lease, Lessee shall be obligated to remove from the Leased Premises the Improvements and all fixtures and other property thereon unless an Event of Default exists hereunder at such time. If an Event of Default exists: then, at Lessor's option, Lessee shall either remove all of the Improvements, fixtures and other property from the Leased Premises, or shall allow all of such Improvements, fixtures and other property to remain on the Leased Premises.

XX.

If any provision of this lease shall ever be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of this lease, but such other provisions shall continue in full force and effect.

XXI.

Lessee shall not assign the Leased Premises or any part thereof or mortgage, pledge or create any security interest in its leasehold interest, or grant any concession or licenses within the Leased Premises except under the following conditions:

A. Delivery of written notice to Lessor of the proposed assignment or at least thirty (30) days prior to the proposed date thereof, together with the name, address and complete financial statement of the proposed assignee or sub-lessee;

B. The express written assumption by the assignee of the obligations of Lessee herein (but such assumption shall not release Lessee of such obligations);

C. No Event of Default shall exist hereunder, either at the time of delivery of the written notice to Lessor or on the date of the assignment.

Notwithstanding the foregoing, the Lessee shall not be prohibited from subleasing the Leased Premises.

XXII.

The electrical power line providing electricity to the Leased Premises extends from a pole and transformer located on property owned by Lessor which adjoins the Leased Premises. Lessee shall be entitled to continue to receive electrical power at no additional cost other than Lessee's obligation to pay the utility company furnishing electrical power through such means and Lessor agrees to allow such pole, transformer and lines to remain on its adjoining property until such time as electrical power is supplied directly to the Leased Premises.

XXIII.

Lessee shall promptly pay all ad valorem taxes and any special assessments on the Improvements and all other fixtures and personal property owned by it which are located on the Leased Premises and shall deliver to Lessor copies of paid receipts prior to delinquency thereof. Should Lessee fail to pay such taxes or special assessments prior to delinquency, Lessor may, at his option, pay such taxes or special assessments and Lessee shall thereupon be obligated to reimburse Lessor within thirty (30) days from written demand for the amount thereof plus interest at the rate of ten percent (10%) per annum from the date of payment by Lessor. Lessee shall be in default hereof in the event it fails to reimburse Lessor as provided above; fails to deliver to Lessor paid receipts for all taxes and any special assessments within thirty (30) days after written demand therefor; or fails to pay all taxes and any special assessments and to delivery to Lessor paid receipts therefor prior to the date of delinquency thereof on three (3) or more occasions during the term hereof.

EXECUTED this 22nd day of August, 1988.

Cathryn Long Clark

CATHRYN LONG CLARK,
Independent Executrix of the Estate of
John G. Long, Deceased

JAMES M. ALLEN,
Independent Administrator of the Estate of Mary
Adams Long, Deceased

NORTH STAR COMMUNICATIONS, INC.

By: _____

Title: Exec. V.P.

23.04 Acres

Subdivision, John Duncan Survey #3, Abstract 150, M. O'Connell Survey, Abstract 476, I. & G.N.R.R. Co. Survey #3, Blk. 3, Abstract 339, & I. & G.N.R.R. Co. Survey No. 2, Block 3, Abstract 275, Matagorda County, Texas

STATE OF TEXAS I

COUNTY OF MATAGORDA I

PROPERTY DESCRIPTION of 23.04 acres, more or less, in and a part of the John Duncan Survey #3, Abstract 150, the M. O'Connell Survey, Abstract 476, the I. & G.N.R.R. Co. Survey #3, Block 3, Abstract 339, the I. & G.N.R.R. Co. Survey #2, Block 3, Abstract 275, Matagorda County, Texas, and is a portion of Lots 6 & 7 of the Morton's Buck's Bayou Subdivision, as recorded in Volume 35, Page 143, Deed Records, Matagorda County, Texas, and is a portion of a called 331.32 acre tract of land, described by deed dated March 31, 1944, and recorded in Volume 154, Page 147, Deed Records Matagorda County, Texas. Said 23.04 acres of land is more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod set in the Southeasterly right-of-way line of Texas State Highway #35, a 110 foot wide highway right-of-way, for the Northwesterly corner of this tract herein described. Said iron rod bears N 57° 26' E 723.66 feet from the Westerly corner of the aforesaid Lot 7;

THENCE, N 57° 26' E, continuing along the Southeasterly right-of-way line of Highway #35 for a distance of 500.00 feet to a 5/8 inch iron rod set for the North corner of this tract herein described;

THENCE, S 32° 46' 36" E, for a distance of 302.00 feet to a 5/8 inch iron rod set for an interior corner of this tract herein described;

THENCE, N 57° 26' E, for a distance of 61.78 feet to a 5/8 inch iron rod set for a corner of this tract herein described;

THENCE, S 32° 46' 36" E, for a distance of 1212.03 feet to a 5/8 inch iron rod set for the Easternmost corner of this tract herein described;

THENCE, S 57° 26' W, for a distance of 749.69 feet to a 5/8 inch iron rod set for the Southernmost corner of this tract herein described;

THENCE, N 32° 46' 36" W, for a distance of 917.74 feet to a 5/8 inch iron rod set for a corner of this tract herein described;

THENCE, N 57° 13' 24" E, for a distance of 187.91 feet to a 5/8 inch iron rod set for an interior corner of this tract herein described;

line at 298.00 feet and continuing for a total distance of 10.00 feet to the PLACE OF BEGINNING, containing within these metes and bounds 23.04 acres, more or less, in and a part of Lots 6 & 7, Morton's Buck's Bayou Subdivision, John Duncan Survey #3, Abstract 150, M. O'Connell Survey, Abstract 476, I. & G.N.R.R. Co. Survey #3, Block 3, Abstract 339, and I. & G.N.R.R. Co. Survey #2, Block 3, Abstract 275, Matagorda County, Texas.

NOTE: THIS SURVEY WAS MADE WITHOUT THE AID OF A TITLE SEARCH OR TITLE REPORT.

The foregoing PROPERTY DESCRIPTION was prepared from an actual on the ground survey made under my direction and supervision in July 1985, and is true and correct to the best of my knowledge and belief.

Marvin J. Janik
Registered Public Surveyor
No. 2817

STATE OF TEXAS
MARVIN JANIK
2817
REGISTERED
PUBLIC SURVEYOR

2-1000-1

July 17, 1985

Exhibit 3.3D

ASSIGNMENT OF LEASE

This Assignment of Lease (the "Agreement") is entered into by and between LANDRUM ENTERPRISES, INC., a Texas corporation ("Assignor") and CHAMELEON RADIO CORPORATION, a Texas corporation ("Assignee").

WHEREAS, Assignee and Assignor have heretofore entered into that certain Agreement of Purchase and Sale of Assets dated March ____, 1995 (the "Purchase Agreement") providing for the sale by Assignor and the purchase by Assignee of certain real and personal property comprising radio station KIOX-AM in Bay City, Texas (the "Property").

WHEREAS, Assignor is a party to that certain lease referenced on Exhibit A attached hereto and incorporated herein (the "Lease") and the Purchase Agreement requires the assignment of Assignor's interest in the Lease by Assignor to Assignee and the Assignee's assumption of Assignor's duties and obligations under the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment of Lease. Assignor hereby assigns and delegates to Assignee, and Assignee hereby agrees to assume and accept the delegation of all of Assignor's right, title and interest in and to and obligations under the Lease.

2. Further Assurances. Each of the parties hereby agrees to take or cause to be taken such further action, to execute, deliver and file, or cause to be executed, delivered and filed, such further documents and instruments as may be necessary to effectuate fully the purposes, terms and conditions of this Agreement.

3. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas.

4. Capitalized Terms. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Purchase Agreement.

5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one instrument.

6. Miscellaneous. Nothing contained herein shall limit, diminish, increase or alter in any respect the representations, warranties, covenants or agreements made by Assignor and Assignee pursuant to the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of March ____, 1995.

ASSIGNOR:

LANDRUM ENTERPRISES, INC.,
a Texas corporation

By:_____
Name:_____
Title:_____

ASSIGNEE:

CHAMELEON RADIO CORPORATION,
a Texas corporation

By:_____
Name:_____
Title:_____

EXHIBIT A

The Lease

Lease Agreement dated August 22, 1988, by and between Cathryn Long Clark, Independent Executrix of the Estate of John G. Long, Deceased, and James M. Allen, Independent Administrator of the Estate of Mary Adams Long, Deceased, as lessor, and North Star Communications, Inc., as lessee, lessee's interest thereunder being assigned to Assignee by instrument dated December 22, 1994 and lessor's interest thereunder being subsequently assigned to J. F. Long and Cathryn L. Clark, a Texas partnership.

Purchase Agreement

FEDERAL COMMUNICATIONS COMMISSION
Telefax Cover Sheet

Date 5/30/95

FROM:

Name: KEN ADAMCIK
Bureau/O: FCC - CIB
Phone: 713-868-8955
Fax Number: 713-861-0476

TO:

Name: FCC - CIB
Organization: ENFORCEMENT DIVISION
Office: DAN EMDICK
Fax Number:

SPECIAL INSTRUCTIONS:

INFO YOU REQUESTED. PLEASE CALL IF YOU NEED MORE INFO ON THESE AGREEMENTS.

KJA

1 of 3 FAXES

This Cover Sheet is Page 1 of 27 Pages

1 of 3 FAXES.

AGREEMENT OF PURCHASE AND SALE OF ASSETS

This Agreement (this "Agreement") is made as of the 10th day of March, 1995, by and between CHAMELEON RADIO CORPORATION, a Texas corporation ("Buyer"), and LANDRUM ENTERPRISES, INC., a Texas corporation ("Seller").

WITNESSETH:

WHEREAS, Seller owns and operates radio broadcast station KIOX-AM in Bay City, Texas (the "Station"); and

WHEREAS, subject to the required consent of the Federal Communications Commission (the "FCC") and the terms and conditions set forth in this Agreement, Seller desires to sell, and Buyer desires to purchase, all the real property, personal property, tangible and intangible assets of Seller used in the operation of the Station;

NOW, THEREFORE, in consideration of the premises and the mutual covenants, considerations and promises herein made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.1 Sale of Assets. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign and deliver to Buyer, free and clear of all liens, claims, and encumbrances (except for Permitted Encumbrances as defined in Section 8.7 hereof), and Buyer agrees to purchase from Seller, all the real property, personal property, tangible and intangible assets used in the operation of the Station as presently being operated (excluding only the Excluded Assets as defined in Section 1.2 hereof), which assets are collectively referred to as the "Assets" and which include, without limitation, the following:

(a) All the personal property, equipment, office machines, supplies, materials, furniture, fixtures, antennae, transmitting, broadcasting and receiving facilities and

equipment, control room facilities and equipment, generators and amplifiers, and all other tangible personal property of every kind and character owned by Seller and used in or in connection with the Station or the operation thereof, situated in Matagorda County, Texas including, without limitation, the property set forth and described on Exhibit 1.1A attached hereto (which said Exhibit and all Exhibits hereafter referred to are by such attachment and reference incorporated herein and made a part hereof for all purposes);

(b) All rights, licenses, permits and authorizations issued by any regulatory agency (including, without limitation, the FCC), service marks, copyrights, franchises, and other intangible personal property of the Seller of whatsoever kind and character which are used in or in connection with the operation of the Station, including, without limitation, all business, goodwill, licenses, authorizations and applications listed or referenced on Exhibit 1.1B annexed hereto; provided, however, that Seller shall retain, and the Assets shall not include, the right to use the call letters of the Station; provided, further, that with respect to FCC rights, licenses, permits, authorizations and applications (the "FCC Authorizations") Seller agrees to transfer such FCC Authorizations to Buyer to the extent same are assignable.

(c) All radio time and advertising agreements and all of those certain agreements, arrangements, commitments and understandings, written or oral, expressed or implied, material to the Station or to the operation thereof, to which Seller is a party or by which the Assets are bound which agreements, arrangements, commitments, and understandings are listed, described or referenced on Exhibit 1.1C annexed hereto (unless such agreements, arrangements, commitments or understandings were disapproved by Buyer in writing on or before the Closing Date, as contemplated by Exhibit 1.1C attached hereto);

(d) All real property, including, without limitation, land, improvements, fixtures, buildings, easements, appurtenances and agreements or arrangements of lease or other tenancies or rights of occupancy or use with respect to real property or interests therein and rights-of-way and all similar properties owned by Seller in connection with the Station, which are described or referenced on Exhibit 1.1D annexed hereto;

(e) All inventories (including, without limitation, inventories of materials, supplies and replacement parts and tapes, recorded programs and commercials and Seller's library of records, tapes and recordings) maintained by Seller for, or in connection with, the operation of the Station on the Closing Date; and

(f) All books and records (or copies thereof) owned by Seller and relating to the Assets or to their maintenance or efficient operation or to the business of the Station, including, but not limited to, books of account, journals and ledgers, customer lists, vendor files, repair and maintenance records, files, correspondence, memoranda, blue prints, maps, plats, drawings, specifications and other similar writings and archives.

1.2 Excluded Assets. Notwithstanding the foregoing, the following assets shall be retained by Seller and shall not be sold or transferred to Buyer (such retained assets being herein collectively called the "Excluded Assets"):

(a) Cash, bank balances, monies in possession of any banks or trust companies and similar cash items of Seller on hand on the Closing Date;

(b) Accounts receivable attributable to the Station and arising on or prior to the Closing Date;

(c) All real property owned by Seller which is not described or referenced on Exhibit 1.1D annexed hereto;

(d) All assets owned by Seller related to the operation or business of radio broadcast station KIOX-FM in El Campo, Texas (the "FM Station"), including the call letters "KIOX";

(e) All prepaid expenses, utility and other deposits accrued prior to the Closing Date; and

(f) All books, records and documents of the Seller including, without limitation, Seller's minute books, corporate seal, treasury stock, the name "Landrum Enterprises, Inc." and similar items relating to the corporation or the FM Station and not involving the Station or Assets to be transferred hereunder. Notwithstanding the foregoing, any of Seller's books, records and documents retained by Seller and required by Buyer in connection with the

operation of the Station shall, on reasonable notice, be made available to Buyer for examination and, to the extent reasonably necessary, duplication after the Closing at the office of Seller for a period of one (1) year.

1.3 Purchase Price. In consideration of the sale of the Assets under this Agreement, Buyer shall pay to Seller the sum of One Hundred Fifty Thousand Dollars ($150,000), subject to adjustment pursuant to Section 1.3(c) (the "Purchase Price"). The Purchase Price is payable as follows:

(a) Simultaneously with the execution of that certain Agreement dated February 13, 1995 between Buyer and Seller, Buyer has paid into escrow, as a deposit against the Purchase Price, the amount of Ten Thousand Dollars ($10,000), to be applied at the Closing against the Purchase Price. Such deposit will be held by John W. Saunders, Media Broker (the "Broker") until the Closing or earlier termination of this Agreement in accordance with the terms hereof;

(b) At the time the Application (as defined in Section 6.1 hereof) is filed with the FCC, Buyer shall pay into escrow, as a deposit against the Purchase Price, the amount of Fifteen Thousand Dollars ($15,000), to be applied at the closing against the Purchase Price. Such deposit will be held by the Broker until the Closing or earlier termination of this Agreement in accordance with the terms hereof; and

(c) At the Closing, Buyer shall (i) deliver to the Seller a Promissory Note (in the form attached hereto as Exhibit 1.3) in the amount of One Hundred Thousand Dollars ($100,000) (the "Promissory Note") and (ii) pay to Seller the additional sum of Twenty-Five Thousand Dollars ($25,000) in immediately available funds by wire transfer or, at Seller's option, by certified check; provided, however, that Buyer shall have the option at Closing to pay to Seller a cash amount equal to One Hundred and Ten Thousand Dollars ($110,000) in lieu of the Promissory Note and cash payment required by clauses (i) and (ii) of this Section 1.3(c), in which case the total Purchase Price shall be One Hundred and Thirty-Five Dollars ($135,000).

1.4 Assumption of Liabilities. At Closing, Buyer shall assume the Assumed Liabilities (as hereinafter defined) pursuant to a written assumption agreement ("Assumption

Agreement") in substantially the form of Exhibit 1.4 attached hereto. As used in this Agreement, the term "Assumed Liabilities" shall mean (i) the liabilities, duties and obligations of Seller which accrue after the Closing Date under those leases, contracts, licenses and other agreements and instruments expressly listed or referenced on Exhibit 1.1C attached hereto (unless such agreements, arrangements, commitments or understandings were disapproved by Buyer in writing on or before the Closing Date, as contemplated by Exhibit 1.1C attached hereto), (ii) any sales tax which may be payable with respect to the sale of the Assets pursuant hereto, and (iii) such other obligations and liabilities of Seller, if any, as Buyer shall expressly agree to assume in the Assumption Agreement. The parties hereto acknowledge and agree that the Assumed Liabilities are the only liabilities and obligations of Seller being assumed by Buyer and that, except to the extent expressly provided in the Assumption Agreement, the Assumed Liabilities shall not include any liability or obligation of Seller of any nature whatsoever existing or incurred by Seller on or prior to the date of the Closing.

1.5 Adjustments and Assumptions. The operation of the Station, and the income and expenses attributable thereto shall, except as otherwise expressly provided in this Agreement, be for the account of Seller up to 12:01 A.M. on the Closing Date and shall thereafter be for the account of Buyer. Expenses such as power and utility charges, lease rents, prepaid time sales agreements, wages, payroll taxes of employees of the Seller who enter the employment of Buyer, and similar prepaid deferred items shall be prorated between the Seller and Buyer. All prorations shall be made and paid insofar as feasible on the Closing Date, with the final settlement within ninety (90) days after the Closing Date. In the event of any dispute between the parties as to any such adjustments, such dispute shall be resolved by an independent certified public accountant mutually acceptable to the parties, whose determination shall be binding upon the parties, their successors and assigns, and the fees and expenses of such accountant shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer.

1.6 Accounts Receivable. Seller shall retain all accounts receivable arising on or prior to the Closing Date relating to the Station. Buyer's sole responsibility with respect to such accounts receivable shall be to forward to Seller any monies delivered by such account debtors ("Pre-

Closing Debtors") to Buyer after the Closing which monies are in payment of such accounts receivable arising on or prior to the Closing Date. Seller retains responsibility for all sales commissions payable with respect to such accounts receivable. Buyer acknowledges that Seller may and Seller will not be prohibited from pursuing its remedies available at law against Pre-Closing Debtors who are in default under accounts receivable arising on or prior to the Closing Date. Without limitation of the foregoing, Buyer further acknowledges and agrees that monies paid to Buyer within 60 days after the Closing Date shall be deemed to be payment of pre-Closing accounts receivable unless the Pre-Closing Debtor indicates otherwise to Buyer and Seller in writing.

1.7 Termination. Subject to the provisions of Section 1.8 hereof, this Agreement may be terminated by:

(a) The mutual consent of Seller and Buyer.

(b) Seller at any time on or prior to the Closing Date if (i) any of the representations or warranties of Buyer contained herein shall prove to be inaccurate in any material respect or Buyer shall materially breach any covenant or other obligation imposed on it pursuant to this Agreement, which breach continues unremedied for ten (10) days after notice thereof to Buyer or (ii) the conditions set forth in Section 5.2 hereof shall not have been met by the Closing Date, or under the circumstances described in Section 6.2 hereof.

(c) Buyer at any time on or prior to the Closing Date if (i) any of the representations or warranties of Seller contained herein shall prove to be inaccurate in any material respect or Seller shall materially breach any covenant or other obligation imposed on it pursuant to this Agreement, which breach continues unremedied for ten (10) days after notice thereof to Seller or (ii) the conditions set forth in Section 5.1 hereof shall not have been met by the Closing Date, or under the circumstances described in Sections 6.2 and 8.7 hereof.

(d) Seller or Buyer at any time after July 15, 1995, if the Closing Date shall not have occurred by such date for any reason by giving notice of such termination to the other party.

(e) Notwithstanding anything herein to the contrary, the rights and obligations of the Buyer and the Seller, respectively, under Section 1.8 and Section 10.5 hereof shall survive any termination of this Agreement.

1.8 Right to Receive Deposit Upon Termination.

(a) The deposits provided for in Sections 1.3(a) and (b) hereof are being held in escrow by the Broker until the Closing or earlier termination of this Agreement in accordance with the terms hereof.

(b) In the event that this Agreement is terminated by Seller pursuant to Section 1.7(b)(i) hereof or pursuant to Section 1.7(b)(ii) hereof provided that such termination is due to the failure of a condition set forth in subsections (a) or (b) of Section 5.2 hereof, and provided that Seller is not in breach of or default under any term or provision of this Agreement, the Buyer shall forfeit all right, title and interest in such deposits and the Seller shall be entitled to receive the full amount thereof, plus any accrued interest thereon, as liquidated damages for the Buyer's default hereunder (it being agreed that in light of the nature of the Assets, damages are impossible to calculate with any precision, that such amount is a reasonable estimate of Seller's damages in the event of Buyer's default hereunder and such amount is not intended as a penalty).

(c) In the event that this Agreement is terminated (i) pursuant to Section 1.7(a) hereof, (ii) by Seller pursuant to Section 1.7(b)(ii) hereof provided that such termination is due to the failure of a condition set forth in subsections (c) or (d) of Section 5.2 hereof or pursuant to Section 6.2 hereof, (iii) by Buyer pursuant to Section 1.7(c) hereof, or (iv) by either party pursuant to Section 1.7(d) hereof, the Buyer shall be entitled to receive the full amount of such deposit, plus any accrued interest thereon.

ARTICLE II

THE CLOSING

The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Andrews & Kurth L.L.P., located at 600 Travis, 4200 Texas Commerce

Tower, Houston, Texas 77002, at such time as may be agreed upon by the parties on a date not later than ten (10) days following satisfaction of all conditions precedent to Closing set forth in Article V hereof, including without limitation the receipt of a Final Order (as defined in Section 6.3 hereof) of the FCC, but in any event not later than July 15, 1995, unless extended by mutual agreement of Buyer and Seller. The actual date of Closing is herein called the "Closing Date."

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer that:

3.1 Organization and Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement by Seller has been duly authorized by all necessary corporate action and this Agreement constitutes a valid and binding agreement enforceable against Seller in accordance with the terms hereof. To Seller's actual knowledge, except for obtaining the consent and approval of the FCC and the other required consents and approvals indicated on Exhibit 3.1 attached hereto, Seller has full right, power and authority to sell the Assets to Buyer pursuant to the terms hereof without the consent or approval of any third party or regulatory agency.

3.2 No Defaults. Except as disclosed in Exhibit 3.2 attached hereto, the execution, delivery and performance of this Agreement will not result in a material breach or violation by Seller of, nor constitute a default by Seller under, the Articles of Incorporation or Bylaws of Seller or any contract, permit, license, certificate, franchise, statute, ordinance, rule, regulation, agreement, instrument or order known to Seller and to which Seller is a party or by which Seller or any of the Assets are bound.

3.3 Properties and Liabilities.

(a) All material real and personal property owned or leased by Seller and currently used in the operation of the Station is described in Section 1.1 and Exhibits 1.1A through 1.1D.