

PROGRAMMING AGREEMENT

This Programming Agreement ("Agreement") is made and entered into as of May 28, 2009 by and among Covenant Educational Media, Inc., a Texas nonprofit corporation ("Licensee"), and North Texas Public Broadcasting, Inc., a Texas nonprofit corporation ("Programmer").

WITNESSETH:

WHEREAS, Licensee owns and operates noncommercial radio station KVTI, licensed to Dallas, Texas ("the Station"); and

WHEREAS, Licensee and Programmer have entered into that certain Asset Purchase Agreement dated May 28, 2009 (the "Purchase Agreement"), whereby Licensee will sell and assign to Programmer, and Programmer agrees to purchase and assume from Seller, the broadcast licenses issued by the Federal Communications Commission ("FCC") in connection with the Station (the "FCC Licenses"), and certain assets related to the Station; and

WHEREAS, Programmer wishes to broadcast on the Station, prior to the Closing on the Purchase Agreement, programming provided by Programmer (the "Programs"); and

WHEREAS, Licensee wishes to air the Programs on the Station.

NOW, THEREFORE, the parties agree as follows:

1) Agreement Term. The term of this Agreement ("the Term") will begin on the earlier of (i) five (5) business days after Programmer's receipt of written notice from Licensee for the Term to begin, but in no event shall the Term begin prior to thirty (30) days after the parties make the FCC filing to obtain the FCC Order as contemplated in Section 5.2 of the Purchase Agreement, or (ii) one hundred twenty (120) days after the parties make the

FCC filing to obtain the FCC Order as contemplated in Section 5.2 of the Purchase Agreement, or (iii) such alternate date as the parties may mutually agree (the "Effective Date"). Licensee and Programmer mutually understand that, depending upon the circumstances, it may be Programmer's anticipation that the Station will be taken dark in compliance with FCC rules for a 7-10 day period after the Effective Date (at Programmer's sole cost and expense).

Licensee shall cooperate with Programmer in taking the Station dark (but without an obligation to incur any costs). Subject to earlier termination as set forth herein, this Agreement will terminate upon the earlier of (a) the consummation of the Purchase Agreement in accordance with its terms; (b) 30 days following the termination of the Purchase Agreement, pursuant to the terms of that Purchase Agreement; (c) the expiration of a two (2) year period commencing on the Effective Date; or (d) termination in the Event of Default as provided in Section 10.4.

2) Broadcast of the Programs. Subject to the terms and conditions of this Agreement, Licensee agrees to make the antenna site broadcast transmission facilities of the Station available to Programmer and to broadcast, or cause to be broadcast, on the Station, the Programs, for up to 24 hours per day, seven days per week, except for that time necessary to perform reasonable and customary maintenance (the "Broadcasting Period").

Programmer shall, at its own cost and expense, produce and deliver Programs to the Station by such means and at such location as may be mutually agreeable to the parties. Licensee will ensure that its antenna site broadcasting transmission facilities remain available for the rebroadcast of the Programs.

The Station transmitter and all other broadcast equipment owned by Licensee will remain under Licensee's control. Programmer will pay for any expenditures for complying with FCC rules related to the Station's studio

facilities. Licensee will pay for any expenditures for complying with FCC rules related to the Station's transmitter site facilities. Programmer will air, under Licensee's direction, the station identification required under Section 73.1201 of the FCC's rules. Programmer and Licensee each represents and warrants that it has, and will have during the Term, the capabilities necessary to fulfill all obligations imposed under this Agreement.

3) 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 ultimate authority, power, and control over the facilities of the Station during the Term, which it will exercise in accordance with 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, (a) Licensee will employ the General Manager of the Station, who will report and be accountable solely to Licensee and direct the day-to-day operations of the Station, and for one other employee as required by the FCC's policies (the "Station Employees"), (b) Licensee will retain complete control over the programming of the Station, including the right to preempt, as set forth below, any of the Programs, (c) Licensee will maintain responsibility for financial control over the operating and capital expenses of the Station and (d) Licensee will cause the Station to comply with the station identification and main studio rules, provided that Programmer's employees shall broadcast station identifications as directed by Licensee. Nothing herein contained shall prevent or hinder Licensee from (x) rejecting or refusing programs which Licensee reasonably believes to be unsuitable or contrary to the public interest, or (y) substituting a program which, in Licensee's opinion, is of greater local or national importance or which is

specifically designed to address the problems, needs, and interests of the community served by the Station. In deciding whether any of the Programs is unsuitable or contrary to the public interest, the Licensee shall in its sole discretion, make a good faith judgment that the Program violates one or more of the Station Policies set forth in Exhibit A.

During the Term of this Agreement, Programmer shall deliver to Licensee, and Licensee shall maintain, such records and information related to Programs, which Licensee is required by the FCC to place in the public inspection files of the Station, pertaining to the broadcast of political programming, in accordance with the provisions of Sections 73.1943 and 73.3527 of the Commission's rules, and to the broadcast of sponsored programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Section 73.1212 of the Commission's rules. No Program shall support or oppose any candidate for political office, as provided by Section 399 of the Communications Act (the "Act"); nor shall Programmer transmit an "advertisement," as defined by Section 399B of the Act. Licensee shall not be required to receive or handle mail, e-mail, cables, telegraph, faxes or telephone calls in connection with the Programs but shall promptly forward any such material to Programmer, who will handle the complaint, comment, etc. in a responsible manner. Licensee shall be advised promptly by Programmer of any complaint or inquiry from the FCC or a member of the public concerning a Program and shall be given copies of any letters from the public, including complaints, concerning such programming.

4) Insurance. Licensee will maintain in full force and effect, with respect to the property and employees it uses to fulfill its obligations under this Agreement, a general liability policy and will continue to maintain such

insurance coverage in full force and effect throughout the Term, and will cause Programmer to be named as an additional insured thereunder. Programmer will maintain in full force and effect broadcaster's liability insurance naming Licensee as additional insured, and will continue to maintain such insurance coverage in full force and effect throughout the term. The hazards insured against by such policies, and the amounts thereof, are to be substantially similar to the hazards insured against and the amounts of coverage carried by entities of established reputations engaged in the same or similar business as Licensee or Programmer, as the case may be. Notwithstanding the foregoing, the studio facilities and broadcasting equipment therein used for the Station shall be insured by Programmer, not Licensee.

5) Programs. All Programs shall be prepared and presented in conformity with the standards set forth in Exhibit A and with FCC policies and rules, including those set forth in Section 73.503, concerning the broadcast of noncommercial programs.

6) Payment Terms and Conditions.

6.1 During the Term of this Agreement, Programmer shall make the following payments on the first day of each calendar month ("Monthly Payments"):

(a) _____ per month for any portion of the Term that precedes one hundred twenty (120) days after the parties make the FCC filing to obtain the FCC Order as contemplated in Section 5.2 of the Purchase Agreement;

(b)

per month

for the remaining Term occurring on or after one hundred twenty (120) days after the parties make the FCC filing to obtain the FCC Order as contemplated in Section 5.2 of the Purchase Agreement.

6.2 In the event that the Term begins or terminates in the middle of a month, the consideration to be paid shall be prorated, so that Licensee shall be compensated for that portion of the month during which the Agreement is in effect. In addition, Programmer will receive a pro rata credit against the payments due under this Paragraph 6 for any part of the Broadcasting Period in excess of six hours per month, during which Licensee does not, for any reason other than Programmer's failure or refusal to deliver the Programs to Licensee, broadcast the Programs.

7) Expenses and Taxes; Proceeds. Each party will be responsible for all expenses and taxes incurred or imposed with respect to its property, employees, or operations. Without limiting the generality of the foregoing, Programmer will employ and be responsible for the salaries, taxes, insurance, utilities, and related costs for all personnel and studio space and equipment used in the production of the Programs and for delivering the Programs to the Station and from the studio to the transmitter site, and shall pay for all costs associated with its program production, and for all fees to ASCAP, BMI, and SESAC and for any other copyright fees attributable to the public performance of the Programs. Programmer shall also pay for all costs associated with Arbitron or any other ratings service to which it may subscribe. Licensee will pay and be responsible for all costs of operating, owning, and controlling the Station in accordance with FCC rules and policies, its licensee obligations and other applicable law, including lease expenses for the transmitter site,

transmitter site equipment insurance, electrical expenses for the Station transmitter, costs of maintaining the Station's technical facilities at the transmitter site, and similar items. Licensee will also be responsible for the salaries, taxes, insurance, and related expenses for Licensee's employees.

During the Term of this Agreement, Programmer shall retain all listener contributions to, revenues from underwriting, and other support for the Station. Notwithstanding the foregoing, the parties agree to work together in good faith to differentiate and apply for the benefit of Licensee any contributions or revenues of the Station attributable to periods prior to the Term of this Agreement or, if attributable to periods within the Term of this Agreement, any contributions or revenues specifically identified as attributable to the activities or programming of Licensee unrelated to the Programs or activities of Programmer.

8) Licenses; Compliance with Law. During the Term, Licensee will operate its properties in accordance with the rules, regulations, and policies of the FCC and maintain the validity of all of its licenses and other permits and authorizations necessary for the operation of the Station as presently conducted (including FCC licenses, permits, and authorizations).

9) Call Signs. Licensee will continue to use the call sign "KVT(FM)", or such other call sign it obtains from the FCC, and Programmer will acquire no rights to such call sign by virtue of this Agreement. At Programmer's request and at its sole cost and expense, Licensee hereby agrees to request that the FCC change the call sign of the Station to KKXT-FM, or another call sign reasonably requested by Programmer. Licensee will seek FCC consent to the change in the call sign requested Programmer in a timely manner such that, to the extent practicable, the station will be identified with

the new call sign on the date Programmer commences programming the station.

10) Default.

10.1 Programmer Events of Default. An Event of Default by Programmer will be deemed to occur if Programmer materially breaches or violates, or fails to observe or perform, any obligation, covenant, condition or agreement imposed upon it under this Agreement, including the failure or refusal to pay the consideration set forth herein.

10.2 Licensee's Events of Default. An Event of Default by Licensee will be deemed to occur if Licensee materially breaches or violates, or fails to observe or perform, any obligation, covenant, condition or agreement imposed upon it under this Agreement, including the failure or refusal to rebroadcast the Programs, other than as permitted by this Agreement.

10.3 Cure Period. An Event of Default will not be deemed to have occurred until ten (10) days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default under this Agreement and the default has not been cured within such 10-day period.

10.4 Remedies Upon Default. In the event of the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement, and, except as otherwise provided in this Agreement, pursue all remedies available at law or in equity for breach of this Agreement. If Licensee terminates this Agreement for Default, Programmer shall be relieved of all obligations under this Agreement as of the date of termination except for any obligations specified in this Agreement to survive termination.

10.5 Liabilities Upon Termination. After termination of this Agreement, Programmer shall continue to be responsible for any liabilities,

debts, and obligations incurred by Programmer during the Term, including, without limitation, accounts payable, barter agreements, and unaired underwriting announcements, but not for Licensee's federal, state, or local tax liabilities, or for any other costs for which Licensee is responsible under this Agreement.

11) Authority. Licensee and Programmer each represents that it has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement, and that the individual executing this Agreement has the authority and power to bind the party. Each further represents that it is duly qualified and in good standing in its state of formation and is qualified to do business in any state where such qualification is necessary.

12) Modification and Waiver; Remedies Cumulative. No modification or waiver 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 either party 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 any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise of 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 rights or remedies which a party may otherwise have.

13) Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Licensee, Programmer and their respective successors and assigns. Programmer may not assign this Agreement without

the prior written consent of Licensee, which shall be given or withheld in Licensee's sole and arbitrary discretion.

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

15) Notice. Any notice required under this Agreement must be given 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:

President
Covenant Educational Media, Inc.
23248 Calvert Street
Woodland Hills, CA 91367

To Programmer:

President
North Texas Public Broadcasting, Inc.
3000 Harry Hines Blvd.
Dallas, TX 75201

16) Entire Agreement. This Agreement and its attachments embody the entire understanding between the parties with respect to the subject matter of this Agreement.

17) Relationship of Parties. Neither Licensee nor Programmer 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.

18) Force Majeure. The failure of either party hereto to comply with its obligations under this Agreement due to acts of God, strikes or force majeure or due to causes beyond such party's control will not constitute a default under this Agreement and neither party will be liable to the other party therefor, except that any failure of Licensee to broadcast the Programs due to such causes shall entitle Programmer to pro rata reduction, as set forth in paragraph 7.2. with respect to periods during which such failure continues. In no event shall Licensee be liable for any consequential or incidental damages relating to its failure or inability to air scheduled programming due to circumstances beyond its control.

19) Indemnification.

19.1 Indemnification by Programmer. Programmer will indemnify and hold harmless Licensee, its members, managers, officers, employees, agents, and affiliates from and against all liability, including without limitation all reasonable attorneys fees, arising out of or incident to the broadcast of the Programs or the conduct of Programmer, its employees, contractors or agents. Without limiting the generality of the foregoing, Programmer will indemnify and hold and save Licensee, its members, managers, officers, employees, agents, and affiliates harmless against liability for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights arising out of Programmer's broadcast of the Programs. Licensee reserves the right to refuse to broadcast any program or programs containing matter which is, or in the reasonable opinion of Licensee may be, or which a third party reasonably claims to be, in violation of any right of theirs. Programmer's obligation to hold Licensee harmless against the liabilities specified above shall survive any termination of this Agreement.

19.2 Indemnification by Licensee. Licensee will indemnify and hold harmless Programmer, its officers, directors, shareholders, employees, agents, and affiliates from and against all liability, including without limitation all reasonable attorneys fees, arising out of or incident to any programming (other than the Programs) broadcast by Licensee, the performance of its obligations under this Agreement, or the conduct of Licensee, its employees, contractors, or agents. Without limiting the generality of the foregoing, Licensee will indemnify and hold and save Programmer, its officers, directors, shareholders, employees, agents, and affiliates harmless against liability for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from such programming (other than the Programs) broadcast by Licensee. Licensee's obligation to hold Programmer harmless against the liabilities specified above shall survive any termination of this Agreement.

20) Construction. This Agreement shall be construed in accordance with the laws of the State of Texas, except for its conflict of laws provisions, and the obligations of the parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current FCC policy and agree that they shall negotiate in good faith to meet any FCC concern if they are incorrectly interpreting current FCC policy or that policy is subsequently modified. If the parties cannot agree to a modification or modifications deemed necessary by either party to meet FCC requirements, either party may terminate this Agreement.

21) Payola. Programmer agrees that neither it nor its employees will accept any material compensation or any material gift or gratuity of any kind, regardless of its form, including, but not limited to, services or labor, whether or not pursuant to written contracts or agreements between Programmer and merchants or advertisers, unless the payer is appropriately identified on the air as having paid for or furnished such consideration in accordance with FCC requirements. Programmer agrees to execute and provide Licensee with an annual Payola Affidavit, substantially in the form attached hereto as Exhibit B.


22) Certification. PURSUANT TO SECTION 73.3555(a)(3)(ii) OF THE FCC'S RULES, LICENSEE CERTIFIES THAT IT WILL MAINTAIN ULTIMATE CONTROL OVER THE STATION'S FACILITIES, INCLUDING CONTROL OVER STATION FINANCES, PERSONNEL AND PROGRAMMING, AND PROGRAMMER CERTIFIES THAT THE ARRANGEMENT CONTEMPLATED BY THIS AGREEMENT COMPLIES WITH THE PROVISIONS OF SECTION 73.3555(a) OF THE FCC'S RULES.

23) Attorneys Fees. In the event of commencement of suit by either party to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive attorneys' fees and costs as a court may adjudge reasonable in addition to any other relief granted. Attorneys' fees incurred in enforcing any judgment arising out of this Agreement are also recoverable by the prevailing party.

[Remainder of Page Left Intentionally Blank]

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

Covenant Educational Media, Inc. (Licensee)

By: 
Fletcher Anderson
Title: President

North Texas Public Broadcasting, Inc. (Programmer)

By: _____

Title: _____

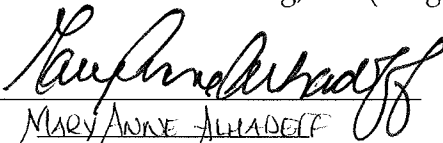
IN WITNESS WHEREOF, the parties have executed this Agreement as
of the date first above written.

Covenant Educational Media, Inc. (Licensee)

By: _____

Title: _____

North Texas Public Broadcasting, Inc. (Programmer)

By: 
MARY ANNE ALHADEFF
Title: PRESIDENT & CEO

**STATEMENT OF STATION POLICIES OF
LICENSEE**

Covenant Educational Media, Inc. ("Licensee"), licensee of Radio Station KVTM (the "Station"), hereby establishes the following standards, practices, policies and regulations to govern the broadcast of all programming aired over the Station by North Texas Public Broadcasting, Inc. ("Programmer"). The following standards, practices and policies are to be adhered to in the preparation, writing, production and broadcasting of all advertisements and programs aired over the Station:

1) No Payola Or "Plugola". The mention of any business activity or "plug" for any commercial, professional or other related endeavor on the Station is prohibited, except where contained in a regular underwriting credit, which meets the requirements of Section 317 of the Communications Act of 1934, as amended (the "Communications Act") and Section 73.1212 of the rules of the Federal Communications Commission ("FCC").

2) No Lotteries. Except as expressly permitted under Section 73.1211 of the FCC's Rules, no announcements, messages or programs may be broadcast over the Station (without the express prior written approval of the Licensee) which give any information about or which promote any lotteries or games of chance, including any bingo parties and the like which are to be held by a local church or other non-profit institution or organization. A lottery, for these purposes, is a game or promotion in which a prize is awarded and where the selection of the winner or the amount or nature of the prize is determined in whole or in part on the basis of chance, and where

contestants enter the promotion by paying or giving up any consideration or item of value (e.g., money, substantial time, or substantial energy).

3) Station Identification Announcements Required. A station identification announcement must be broadcast each time the Station goes on the air and when it signs off the air. A station identification announcement must also be broadcast each hour, as close to the top of the hour as feasible, at a natural break in programming, and shall comply with the requirements of Section 73.1201 of the FCC's Rules.

4) Contests and Promotions. In the event that Programmer broadcasts on the Station a contest that it conducts, Programmer shall comply with Section 73.1216 of the FCC's Rules by fully and accurately disclosing the material terms of the contest and by conducting the contest "substantially as announced". No contest description shall be broadcast on the Station where the Programmer knows that such description is false, misleading or deceptive with respect to any material terms.

5) Obscenity and Indecency Prohibited. No obscene material may be broadcast over the facilities of the Station. No indecent material may be broadcast on the Station during any time when the airing of such programming would be contrary to law or FCC regulations or policies. For these purposes, "indecent" material is defined as language or material that describes sexual or excretory activities or organs in a patently offensive manner, as measured by contemporary community standards for broadcasting. Material will be considered obscene if (a) the average person, applying contemporary community standards, would find that the material appeals to the prurient interest, (b) it describes or depicts, in a patently offensive manner, sexual conduct as defined by applicable state law, and (c) taken as a whole, it lacks serious literary, artistic, political or scientific value.

6) Advertising. No advertisements as defined by Section 399B of the Communications Act, shall be broadcast over the facilities of the Station.

7) Defamatory Statements Prohibited. No statements which are known to be libelous or defamatory may be broadcast over the facilities of the Station. Libel is a false statement of fact about a person, which tends to injure that person's reputation or otherwise cause injury or damages to that person.

8) "Equal Time" For Political Candidates. If a legally qualified candidate for public office is allowed to appear on the Station during his/her campaign in a "use" of the Station's facilities (as defined in Section 73.1941(b) of the FCC's Rules), his/her legally qualified opponents must be afforded equal opportunities to appear on the air.

9) Sponsorship Identification Announcements. All sponsored programs must (a) contain an announcement stating the fact that the matter broadcast was sponsored or paid for and must disclose the true identity of the person or entity on whose behalf payment was made or promised for the broadcast, or (b) otherwise comply with Section 317 of the Communications Act and Section 73.1212 of the FCC's Rules. Whenever such a sponsorship identification announcement is required, the announcement must be made both at the beginning and conclusion of each program of over five minutes in length. However, if a sponsored broadcast is five minutes or less in duration, only one such announcement is required, and it may be made either at the beginning or the conclusion of the broadcast or announcement.

Programming Agreement
Exhibit B

STATE OF)
COUNTY OF) SS.
)

PAYOLA/PLUGOLA AFFIDAVIT OF

(name of employee)

1. My name is _____
2. My position is _____ for

(position) (employer)
3. I have held this position since _____
(month/year)
4. I understand that the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission require that when a broadcast station transmits any matter for which money, service, or other valuable consideration is either directly or indirectly paid or promised the station or any employee, or charged by or accepted by the station or any employee, then the station must make an announcement that such matter is sponsored, paid for, or furnished, in whole or in part, and must name the supplier of the valuable consideration in the announcement.
5. I understand that if I receive or am promised any money, service, or other compensation for broadcasting any matter, I must disclose this fact to my employer, so that the announcement which my employer is required by law to make can be broadcast.
6. I understand that if I fail to disclose to my employer the receipt or promise of any money, service, or other compensation for broadcasting any matter, I could be found guilty of committing a felony, and that I could be fined up to \$10,000 or imprisoned for up to one year, or both.
7. I have made the proper disclosure to my employer whenever I have received or been promised any compensation for broadcasting any matter.

8. So far as I know, Station KVTU has always properly announced that a broadcast matter was paid for or furnished by the person or organization who supplied the matter or offered compensation for its broadcast.

9. I will neither give nor receive any money, service, or other compensation (from anyone except my employer) in exchange for influencing the preparation or broadcast of any matter on Station KVTU.

10. I, my spouse, and my immediate family do ☐ do not ☐ presently own any interest in (except publicly traded stock, held as an investment), or serve as an officer, director, or employee of any other person, firm or corporation engaged in

a) The publishing of music;

b) The production, distribution (including wholesale and retail sales outlets), manufacture or exploitation of music, films, tapes, recording, or electrical transcriptions of any program material intended for radio or television broadcast use;

c) The exploitation, promotion, or management of persons rendering artistic, production and/or other services in the entertainment field;

d) The ownership or operation of one or more radio television stations;

e) The wholesale or retail sale of records intended for public purchase;

f) Advertising on Station KVTU or any other station owned by its licensee (excluding nominal stockholdings in publicly owned companies).

11. The facts and circumstances relating to any such interest listed in 10 above are

none ☐.

as follows ☐.

(Use additional sheet if additional space is necessary)

12. I have read and I understand the foregoing statements, and they are true and correct of my personal knowledge.

(Signature)

Executed on _____
(month/day/year)

STATE OF)
) SS.
COUNTY OF)

On this _____ day of _____, 20____, before me personally came _____, known to me to be the individual described in the foregoing affidavit and who executed the foregoing affidavit in my presence as their voluntary and willful act.

(Notary Public)

My Commission Expires: _____