

La Promesa Foundation has not entered into a time brokerage agreement relative to KHFX(AM).

La Promesa Foundation provides programming to the following stations located in the Dallas-Fort Worth radio metro market pursuant to the attached “Local Marketing and Programming Agreement” with Chatham Hill Foundation, Inc. the licensee of both stations:

- KATH(AM), Frisco, Texas, FIN 52342
- KJON(AM), Carrollton, Texas, FIN 2190

## LOCAL MARKETING AND PROGRAMMING AGREEMENT

THIS LOCAL MARKETING AND PROGRAMMING AGREEMENT (this "Agreement") is made and entered into effective as of this \_\_\_ day of December, 2006, by and among Chatham Hill Foundation, Inc., a Texas non-profit corporation ("Licensee"), KATH Radio LLC, a Texas limited liability company and a wholly-owned subsidiary of Licensee ("KATH," and together with Licensee, "Operator"), and La Promesa Foundation, a Texas non-profit corporation ("Programmer").

### Recitals

A. Licensee has been issued authorizations by the Federal Communications Commission (the "FCC") to own and operate radio stations KXEB, Frisco, Texas (FCC Facility ID No. 52342) and KJON, Carrollton, Texas (FCC Facility ID No. 2190) (the "Stations").

B. KATH Radio owns all of the operating assets of the Stations, except the Stations' FCC licenses, and operates the Stations.

C. Programmer has available and is producing radio programs that it desires to have broadcast on the Stations, and therefore desires to purchase airtime from Operator for the broadcast of such programs.

D. Operator has agreed to make available to Programmer airtime on the Stations and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.

### Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Agreement Term. The term of this Agreement (the "Term") shall begin December \_\_, 2006 and run until the earlier of: (i) July 31, 2013; or (ii) this Agreement is terminated in accordance with Section 14 hereof. This Agreement shall automatically renew for twelve (12) months at the end of the Term and on each anniversary thereof unless at least thirty (30) days prior to the end of the Term or an anniversary date one party gives the other party notice that it does not wish to renew this Agreement.

2. Programmer's Purchase of Airtime and Provision of Programming. During the Term, Programmer shall purchase from Operator airtime on the Stations for the price and on the terms specified below, and shall transmit to Operator programming that it produces or owns (the "Program" or "Programs") for broadcast during all FCC authorized operating hours, seven (7) days per week, excluding the period from 6:00 a.m. to 7:00 a.m. each Sunday morning (the "Reserved Period"). Operator may use the Reserved Period for the broadcast of news, public affairs, public service and other informational programming produced by Operator.

Programmer will transmit, at its own cost, its Programs to the Stations' 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 Stations' broadcasts prior to commencement of the Term.

3. Broadcasting Obligations. In return for the payments to be made by Programmer hereunder, during the Term, Operator shall broadcast the Programs delivered by Programmer during the time periods specified in Section 2 above (other than the Reserved Period), subject to the provisions of Section 6 below.

4. Underwriting. Programmer will be exclusively responsible for seeking donations for underwriting the Stations, and Programmer shall be entitled to all revenues generated by underwriting on the Stations during the Term, subject to the provisions in Schedule A.

5. Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will pay KATH as set forth on Schedule A attached hereto.

6. Operation, Ownership and Control of the Stations. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the FCC licensee of the Stations, it will have ultimate authority, power and control over the operation of the Stations during the Term. Licensee will bear the responsibility for the Stations' 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, Operator will: (i) employ such personnel as are required in order to comply with the FCC's rules, regulations and published policies; (ii) maintain the Stations' broadcast equipment and technical facilities, including studio equipment, transmitter, tower, and transmission line, in good working condition (subject to the provisions of Section 7 below); and (iii) retain control over the policies, programming and operations of the Stations. Nothing contained herein shall prevent Operator from (a) rejecting or refusing any Programs which Operator believes in its sole discretion to be contrary to the public interest, or (b) substituting programs which Operator in its sole discretion believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the Stations' local communities. If at any time Operator preempts any Programs, Operator shall refund to Programmer such portion of the payment made to Operator pursuant to Section 5 hereof as the total time preempted bears to the total amount of broadcasting time in the Term. Operator reserves the right to refuse to broadcast any Program containing matter which violates any right of any third party. Operator also reserves the right to refuse to broadcast any Program which does not meet the requirements of the rules, regulations, and published policies of the FCC. Operator further reserves the right to preempt any Program (i) to broadcast programming Operator deems will better serve the public interest, and (ii) in the event of a local, state, or national emergency. Programmer agrees to cooperate with Operator to ensure that EAS transmissions are properly performed in accordance with Operator's instructions. Operator reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification rules and policies. Programmer will immediately serve Operator with notice and a copy of any letters of complaint that it receives concerning any Program for Operator's review and inclusion in the Stations' public inspection files.

7. Maintenance of Signal. Operator will strive to maintain the operating power of the Stations at the maximum level authorized by the FCC for each Station throughout the Term and shall be responsible for the repair and maintenance of the Stations' towers and transmission facilities such that they remain in good working order.

8. Program Standards/Format. All Programs supplied by Programmer shall comply in all material respects with the Communications Act and the rules and regulations of the FCC. If, in judgment of Operator, the Programs do not comply with the Communications Act or the rules and regulations of the FCC, then Operator may suspend or cancel any such Program after giving written notice of such determination to Programmer and Programmer having failed to remedy the problem within ten (10) days after receiving such written notice.

9. Employees. Programmer shall be responsible for all salaries, benefits and withholding taxes for its employees, and indemnifies and holds harmless Operator with respect to any claims by such employees with respect to pay, benefits or any other matters relating to their employment by Programmer.

10. Music Licenses. During the Term, Operator will maintain in full force and effect in its own name and expense such music licenses ("Music Licenses") needed to cover Operator's programming on the Station. Programmer will obtain and maintain in full force and effect in its own name and expense Music Licenses to cover the Programs that it delivers for broadcast on the Station.

11. Programs.

11.1 Production of the Programs. Programmer agrees that the contents of the Programs it transmits to Operator shall conform to all FCC rules, regulations and published policies. Programmer agrees that it will consult with Operator in the selection of the Programs it transmits to Operator to ensure that the Programs' content contains matters responsive to issues of public concern in the Stations' local communities. Programmer agrees that the religious content of the Programs will be in complete agreement with the Teachings of the Magisterium of the Catholic Church.

11.2 Political Time. Operator 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 Communications Act and the political broadcast rules, regulations and published policies of the FCC. During the Term, Programmer shall cooperate with Operator as Operator complies with its political broadcast responsibilities, and shall supply such information promptly to Operator as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. Programmer shall release underwriting availabilities to Operator during the Term as necessary to permit Operator to comply with the Communications Act and the political broadcast rules, regulations and published policies of the FCC; provided, however, that donations received by Operator as a result of any such release of underwriting time shall promptly be remitted to Programmer.

12. 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 for broadcast on the Station, and (ii) the costs of delivering the Programs to the Stations. Subject to Section 5 and Schedule A, Operator will pay for the maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Stations' broadcast operations in accordance with FCC rules and policies and applicable law, including transmitter site and studio rents, taxes, FCC annual regulatory fees, insurance, employee benefits, the utilities at its studio and transmitter sites and salaries and benefits for the Operator's personnel as identified in Section 6 (the "Operator Expenses").

13. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Stations or any other call letters which, upon Licensee's application, may be assigned by the FCC for use by the Stations. Programmer 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 at the beginning of each hour of such Programs to identify such call letters or permitted substitutes therefor, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use such call letters in its Programs and in any promotional material, in any media, used in connection with the Programs during the Term. Operator shall not change the call sign for the Station without Programmer's consent, which consent shall not be withheld unreasonably.

14. Events of Default; Termination.

14.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement: (i) Programmer fails to make timely payments as provided for in Section 5 or Schedule A of this Agreement; (ii) Programmer fails to observe or perform its other obligations contained in this Agreement in any material respect; or (iii) Programmer breaches the representations and warranties made by it under this Agreement in any material respect.

14.2 Operator Events of Default. The occurrence of the following will be deemed an Event of Default by Operator under this Agreement: (i) Operator fails to observe or perform its obligations contained in this Agreement in any material respect; or (ii) Operator breaches the representations and warranties made by it under this Agreement in any material respect.

14.3 Cure Period. Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until thirty (30) days after the non-defaulting party has provided the defaulting party with written notice specifying the Event of Default and such Event of Default remains uncured, except that in the case of Programmer's failure to make timely payments as provided for in Section 5 or Schedule A of this Agreement, an Event of Default will not be deemed to have occurred until five (5) days after Operator has provided Programmer with written notice and such failure to make a timely payment remains uncured.

14.4 Termination. (a) Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 14.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party; (b) upon the consummation of a transaction in which Programmer or one of its subsidiaries becomes the FCC

licensee of the Stations, this Agreement shall terminate automatically; (c) this Agreement may be terminated by mutual consent of the parties; or (d) this Agreement shall terminate upon expiration of the Term, as it may be extended pursuant to Section 1 hereof.

14.5 Cooperation Upon Termination. If this Agreement is terminated for any reason other than the consummation of a sale of the Stations to Programmer, 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.

15. Insurance. Programmer shall provide, at Programmer's expense, (i) comprehensive general liability insurance with a general aggregate limit of \$2 million, with limits of \$1 million for each occurrence, (ii) property damage insurance in the amount of \$\_\_\_\_\_ million, (iii) worker's compensation insurance as prescribed by the law of the State of Texas and (iv) broadcaster's liability insurance in the amount of \$1 million each loss and \$1 million any one policy period. Operator shall be listed as an additional named insured for such coverage, which shall be primary and noncontributory. Programmer must provide Operator with evidence of such insurance reasonably satisfactory to Operator. If not submitted by Programmer, Operator may procure such insurance at Operator's expense.

16. Indemnification. Programmer shall indemnify and hold Operator 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 broadcast of the Programs on the Stations or for any liability resulting from any other action or inaction by Programmer under this Agreement. The obligations under this Section shall survive any termination of this Agreement.

17. Authority. Licensee, KATH and Programmer each represent and warrant that (i) it has the power and authority to enter into this Agreement and to perform its obligations set forth herein, (ii) it is qualified to do business in all jurisdictions where the nature of its business requires such qualification, (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

18. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by all parties. No failure or delay on the part of Programmer or Operator 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.

19. Assignability; No Third Party Rights. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Notwithstanding the foregoing, no party may assign its rights or obligations under this Agreement without prior written consent of the other party, which consent shall not be

unreasonably withheld, delayed, or conditioned; provided, however, that Licensee or KATH may assign and delegate its rights and obligations under this Agreement to a party that controls, or is controlled by, or is under common control with Licensee and qualified under applicable FCC rules, upon notice to, but not the prior written consent of, Programmer. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their successors and 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 successors and permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement.

20. Construction; Arbitration. 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.

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

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

If to Operator: Joe C. Thompson, Jr.  
Chatham Hill Foundation, Inc.  
3222 Shorecrest Drive, Suite 235  
Dallas, TX 75235  
FAX: (214) 351-0403

With a copy to: Van M. Jolas, Esq.  
Locke Liddell & Sapp LLP  
2200 Ross Avenue, Suite 2200  
Dallas, TX 75201  
FAX: (214) 756-8594

If to Programmer: Len Oswald  
La Promesa Foundation.  
1406 East Garden Lane  
Midland, TX 79701  
FAX: (432) 682-5230

23. 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.

24. Relationship of Parties. Neither Programmer nor Operator 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. No provision of this Agreement shall create a joint venture between the parties hereto.

25. Force Majeure. The failure of either party hereto to comply with its obligations under this Agreement due to acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's reasonable control, will not constitute an Event of Default under Section 14 of this Agreement and neither party will be liable to the other party therefor, except that any resulting failure of Operator to broadcast the Programs shall entitle Programmer to a pro rata reduction in the payment required under Section 5 of this Agreement. Programmer and Operator each agrees to exercise its commercially reasonable efforts to remedy the conditions described in this Section as soon as reasonably practicable.

26. Subject to Laws; Partial Invalidity. The obligations of the parties under this Agreement are subject to the rules, regulations and published policies of the FCC and all other applicable laws. The parties agree that Operator or Programmer may file a copy of this Agreement with the FCC. In the event that one or more provisions of this Agreement are held to be unenforceable under applicable law, such provisions shall automatically be replaced with a provision that incorporates the original intent of the parties to the maximum extent permitted by law, and the balance of the Agreement shall be enforced in accordance with its terms.

27. 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.

28. Successors and Assigns. Subject to the provisions of Section 19 above, this Agreement shall be binding on and inure to the benefit of the parties' successors and permitted assigns.

29. Certifications.

29.1 Programmer's Certification. Programmer hereby certifies that its entering into and implementation of this Agreement comply with the provisions of Sections 73.3555(a) of the FCC's rules.

29.2 Licensee's Certification. Licensee hereby certifies that it shall maintain ultimate control over the Stations' facilities, including but not limited to control over the finances with respect to the operation of the Stations, over the personnel operating the Stations, and over the programming to be broadcast by the Stations.

29.3 KATH's Certification. KATH hereby certifies that (i) it is organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals; (ii) it is operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain; (iii) it uses its assets in performing its religious functions or the religious functions of another religious organization; and (iv) its

charter documents adopted by it to govern its affairs direct that on its discontinuance by dissolution or otherwise its assets are to be transferred to the State of Texas, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1954, as amended.

30. Liabilities. Neither Operator nor Programmer assumes nor shall either be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of the other of any nature whatsoever, except as expressly provided for herein.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO LOCAL MARKETING AND PROGRAMMING AGREEMENT

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

PROGRAMMER: LA PROMESA FOUNDATION

By:   
Its: President

OPERATOR: CHATHAM HILL FOUNDATION, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

KATH RADIO LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: Joe C. Thompson Jr  
 Its: President

KATH RADIO LLC

By: Joe C. Thompson Jr  
 Its: President

**SCHEDULE A**

**Payments**

During the Term, Programmer shall pay KATH the following Payments:

**Monthly LMA Payment**

1. From December, 2006 through and including May 2007 - \$7,500 per month; December, 2006 will be prorated based on actual number of days usage.
2. June, 2007 through July, 2013 - \$15,000 per month

**Quarterly Supplemental LMA Payment**

1. A Quarterly Supplemental LMA Payment will be made starting with the 1<sup>st</sup> Quarter of 2007 (this first quarterly payment only, will also include the LMA period in November and December, 2006), and for each Quarter thereafter until July, 2013 based on the following:
  - A. The Gross Quarterly Income for La Promesa Foundation, Guadalupe Radio Network, North Texas Operation will be determined and validated.
  - B. The Gross Quarterly Expenses for the La Promesa Foundation, Guadalupe Radio Network, North Texas Operation will be determined and validated.
  - C. The difference between 1A and 1B will be calculated ("Difference").
  - D. One-third of the Difference will be the Quarterly Supplemental LMA

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  - C. The difference between 1A and 1B will be calculated ("Difference").
  - D. One-third of the Difference will be the Quarterly Supplemental LMA Payment.
  - E. The above calculations, and payment, will be made during the first month after each subject Quarter.

The Monthly LMA Payment will be due by the 5<sup>th</sup> business day for each calendar month of the Term. Payments shall be made to KATH at the address stated in Section 22 or in accordance with such other instructions that Operator may provide in writing.

The Operator will have the right, with advance written notification, to conduct an audit of the North Texas Operation financials of the Programmer.

In addition to the payments described above, Programmer shall be required to reimburse KATH for any and all expenses related to the operation and maintenance of the Stations, including (without limitation): Operator Expenses, costs relating to maintaining or operating the Stations' transmitters and transmitter sites, utility costs, applicable lease payments, taxes (real and personal property), and FCC regulatory fees (collectively, "Recurring Fees"). Operator shall submit to Programmer once each month during the Term an invoice listing the Recurring Fees that have accrued with respect to the Stations during the preceding month. Programmer

shall pay KATH the invoiced amount of the Recurring Fees immediately upon receipt of each invoice.