

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (the "Agreement") is made as of September 1 2005 (the "Effective Date") by and between Ector County Independent School District ("Licensee") and Permian Basin Public Telecommunications, Inc. ("Programmer").

WITNESSETH:

WHEREAS, Licensee owns and operates Station KOCV-TV and KOCV-DT, Odessa, Texas (the "Station");

WHEREAS, during the period beginning on the Effective Date and continuing until the termination of this Agreement according to its terms, Licensee desires to sell to Programmer airtime for the broadcast of programs produced by Programmer on the Station; and

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

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

Section 1. Agreement Term. Subject to Programmer's completion of its due diligence inspection of the Station, which shall be at the sole satisfaction of Programmer, The term of this Agreement (the "Term") will begin on the Effective Date and will continue until the Closing Date of a separate Purchase Agreement, pursuant to which Programmer will purchase the Station from Licensee, unless earlier terminated in accordance with the provisions set forth in Sections 9, 14 or 23.

Section 2. Programmer's Purchase of Airtime and Provision of Programming. Licensee will allow Programmer to utilize airtime on the Station, and shall transmit programming that Licensee produces or owns (the "Program" or "Programs") for broadcast on the Station from 7:00 A.M. until 11 P.M. every day, seven (7) days per week (the "Broadcasting Period"). Programmer will transmit the Programs to the Station's transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards at least equal to those of the Station's broadcasts prior to commencement of the Term.

Section 3. Broadcasting Obligations. Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2, subject to the provisions of Section 7, and to the right of Licensee to reject any Program which does not meet Licensee's technical standards, as set forth in Section 2.

Section 4. Underwriting, Subscriptions, and Donations. During the Broadcasting Period, Programmer will be exclusively responsible for obtaining underwriting, subscription, and donation revenues related to the Station's programming and for the collection of accounts receivable related thereto. Licensee will cooperate with Programmer in the application for grants during the term of this agreement. Programmer will not, during the term of this agreement, apply for any grants requiring matching funds from Licensee.

Section 5. Management Fee and Accounting: Licensee agrees, it will transfer to Programmer as a Management Fee, in consideration of operation of KOCV-TV, any and all sums in its possession or which it receives during the process of this purchase attributable to any grants, donations, or income of any type attributable to KOCV-TV or public television. Licensee will pay said sums to Programmer as said fund are received, or not later than the First and fifteenth day of each month. Programmer will provide an accounting, in the form agreed to by the parties, to Licensee for said sums. In the event of termination of this agreement, prior to execution of the purchase agreement described in Section 1, said funds, after accounting for all incurred obligations, will be returned to their source.

(a) Programmer will be responsible for all bills incurred on behalf of KOCV-TV on or after September 1, 2005.

(b) Licensee will be responsible for the payment of all bills incurred on behalf of KOCV-TV prior to September 1, 2005., that are authorized by Licensee's purchasing department.

(c) Licensee will provide an accounting for all expenses and obligations incurred for KOCV-TV as of August 15, 2005, no later than August 22, 2005, and then provide periodic updates prior to August 31, 2005.

(d) Licensee has on hand funds designated for KOCV-TV. This includes grant monies and donations. It is agreed that any grants (subject to the approval of the Grantor in a form satisfactory to Licensee) and donations remaining on August 31, 2005 after paying incurred obligations of KOCV-TV as of August 31, 2005 be transferred to Programmer

(e) With respect to funds attributable to grants, Programmer will obtain the consent of grantors for all such described transfers. If any grantors refuse to provide consent for transfer of grant monies from Licensee to Programmer, said funds will be returned to grantor. Licensee will give notice five days prior to such return and provide Programmer a copy of the proposed returned documents and any correspondence.

(f) Programmer anticipates for a period of approximately 90 days, it will continue to broadcast programs from facilities owned by Licensee, Programmer agrees to pay rent for such use in the form of transfer of equipment, i.e. two computers and four power backups, in exchange Licensee agrees to provide facilities on its campus, including

utilities.

Section 6. Delivery of Programs. Licensee shall begin broadcasting the Programs in accordance with Section 3 at a date specified by the parties.

Section 7. Operation, Ownership and Control of the Station.

(a) Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Station, it will have full 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, Programmer will: employ a station manager for the Station, who will report to Programmer and will direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with Licensee. Licensee will retain control over the policies, programming and operations of the Station, including the right to preempt any programming it deems unsuitable or contrary to the public interest.

(b) Nothing contained herein shall prevent or hinder Licensee from (i) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (ii) substituting a program (or programs) which Licensee believes to be of greater local or national importance or which is (or are) designed to address the problems, needs and interests of the community of license of the Station.

(c) Licensee reserves the right to:

(i) refuse to broadcast any Program containing matter which violates, or which Licensee reasonably believes violates, or which a third party claims to violate, any right of any third party, or which may constitute a "personal attack" as that term has been defined by the FCC;

(ii) refuse to broadcast any Program which does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 11 or in Schedule A hereto;

(iii) preempt any Program in the event of a local, state, or national emergency; and

(iv) delete any underwriting announcements that do not comply with the requirements of the FCC's underwriting and sponsorship identification policies set forth in 47 C.F.R. Sections 73.621 and 73.1212, and as this policy may be changed from time to time by the FCC;

(d) Programmer agrees to cooperate with Licensee to ensure that Emergency Alert System (EAS) transmissions are properly performed in accordance with Licensee instructions.

(e) Programmer will immediately serve Licensee with notice and a copy of any letter of complaint it receives concerning any Program for Licensee review.

(f) Licensee agrees to maintain property and casualty insurance on the equipment of KOCV-TV and KOCV-DT during this agreement. Programmer agrees to maintain liability insurance in a form and amount satisfactory to Licensee naming Licensee as an additional insured during this agreement.

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

Section 9. Special Rights to Terminate. Either party to this Agreement may terminate this Agreement if the FCC's policies or rules change in a manner that would require such termination by providing the other party with ten (10) days' advance written notice.

Section 10. Music Licenses. During the Term, Licensee will obtain and maintain in full force and effect in its own name all music licenses ("Music Licenses") as are currently operative with respect to the Station and as will be required by the licensor of those Music Licenses. All Music Licenses fees that are Licensee's obligation shall be paid by Programmer.

Section 11. Programs.

(a) Production of the Programs. Licensee acknowledges that it is familiar with the type of programming Programmer currently produces and has determined that the broadcast of such programming on the Station would serve the public interest. In producing the Programs to be broadcast on the Station, Programmer will abide by the regulations and restrictions set forth in Schedule A to this Agreement. Programmer agrees that the contents of the Programs it transmits to Licensee shall conform to all FCC rules, regulations and policies.

(b) Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities to political candidates and compliance with the political broadcast rules of the FCC, if any political broadcasts are presented. Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping requirements of federal law.

Section 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 to Licensee and (ii) the costs of delivering the Programs to Licensee; and (iii) transmitter and tower site rentals, other rentals, utilities, general liability and casualty insurance, normal building and equipment maintenance, music licensing fees, maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Station's broadcast operations in accordance with FCC rules and

policies and applicable law. [Attached as Exhibit 12 to this Agreement is a list of types of expenses for which Programmer shall reimburse Licensee during the Term.]

Section 13. The parties will work together to assign, transfer or renew the antenna and equipment site lease agreement currently existing with Odessa College. Effective September 1, 2005, Programmer will be responsible for the cost of the lease with Odessa College.

Section 14. Call Sign. Licensee will retain any rights it has to the current call letters for the Station and any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify the Station by call letters used by Licensee for the Station, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use the call letters KOCV-TV or other call letters used by Licensee for the Station, in its Programs and in any promotional material, in any media, used in connection with the Programs. Licensee will assist in Programmer's application to change the call sign to KPBT.

Section 15. Events of Default; Termination.

(a) 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 in full as provided for in Section 5;

(ii) Programmer fails to observe or perform any other covenant, condition or obligation contained in this Agreement; or

(iii) Breach or violation by Programmer of any representation or warranty made by it under this Agreement.

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

(i) Licensee fails to observe or perform any covenant, condition or obligation to be performed by Licensee which is contained in this Agreement; or

(ii) Breach or violation by Licensee of any representation or warranty made by it under this Agreement.

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

(d) Termination in the Event of Default. Upon the occurrence of an

Event of Default, and in the absence of a timely cure pursuant to Section 14(c), the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

(e) Mutual Agreement to Terminate. This agreement can, at any time, be terminated upon the mutual consent of the parties.

(f) Cooperation Upon Termination. If this Agreement shall be terminated, for whatever reason, the parties agree to cooperate with one another and to take all actions necessary to rescind this Agreement and return the parties to the status quo ante. Accounting for donations, income, grant monies received and outstanding obligations shall be done in accordance with Section 5.

Section 16. Authority. Programmer and Licensee each has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Programmer is a company which is in good standing in the state of its incorporation or formation and qualified to do business in the State of Texas. The signatures appearing for Programmer and Licensee, respectively, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them. Neither the execution, delivery, nor performance by Licensee or Programmer of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any agreement to which Licensee or Programmer, respectively, is a party or by which either of them is bound.

Section 17. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by both parties. No failure or delay on the part of Programmer or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

Section 18. Assignability; No Third Party Rights. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of the other party hereto. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement.

Section 19. Governing Law. This Agreement will be construed in accordance with the laws of the State of Texas without regard to principles of conflicts of laws and the parties agree venue for any dispute shall be in the courts of Ector County, Texas.

Section 20. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original, but all of which shall be one and the same document.

Section 21. Notice. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

To Licensee:

Wendell Sollis, Superintendent of Schools
Ector County Independent School District
P. O. Box 3912
Odessa, TX 79760

With a copy to:

To Programmer:

John H. James, President
Permian Basin Public Telecommunications, Inc.
550 West Texas Ave. Suite 800
Midland, Texas 79764

And copies to:

Daphne Dowdy
Acting General Manager KOCV-TV
P.O. Box 3912
Odessa, Texas 79760

Jerold L. Jacobs, Esq.
KOCV Attorney
Cohn and Marks LLP
1920 N Street, NW, Suite 300
Washington, DC 20036

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

Section 22. Relationship of Parties. Neither Programmer nor Licensee will be deemed to be the agent, partner, or representative of the other party to this Agreement and neither party is authorized to bind the other to any contract, agreement, or understanding.

Section 23. Force Majeure and Facilities Upgrades.

(a) The failure of either party hereto to comply with its obligations under this Agreement due to (i) the need to perform construction at the transmitter site or to move the transmitter site in response to FCC authorization of an improvement to or modification of the Station's operating parameters, or (ii) acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's control, will not constitute an Event of Default under Section 14 and neither party will be liable to the other party therefor.

(b) Notwithstanding the provisions of Section 22(a):

(i) any resulting failure of Licensee to broadcast the Programs for the reasons described in Section 22(a)(i) and (ii) above for ten (10) or more consecutive days shall entitle Programmer to terminate this Agreement by providing Licensee notice of Programmer's decision to terminate.

(c) Programmer and Licensee each agrees to exercise its best efforts to remedy the conditions in Section 22(a)(i) and (ii) as soon as practicable.

Section 24. Subject to Laws; Partial Invalidity. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

Section 25. 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.

Section 26. Successors and Assigns. This Agreement shall be binding and inure to the benefit of parties hereto and their respective successors and assigns.

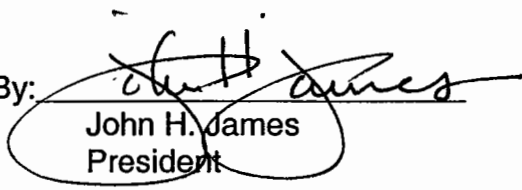
Section 27. Assistance. Programmer agrees to provide the use of employees with expertise to Licensee at no expense to Licensee to assist Licensee in complying with the provisions of Sections 7(a), 10, and 11(b) of this agreement.

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


Permian Basin Public
Telecommunication, Inc.

Ector County Independent
School District

By:


John H. James
President

By:


Wendell Sollis
Superintendent of Schools

SCHEDULE A
REGULATIONS AND RESTRICTIONS

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

- I. Respectful of Faiths. The subject of religion and references to particular faiths, tenets and customs will be treated with respect at all times.
- II. No Attacks. The Programs will not be used as a medium for attack on any race, ethnic group, gender, nationality, disability, faith, denomination or sect or upon any individual or organization.
- III. Controversial Issues. Any discussion of controversial issues of public importance will be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity or like personal qualities of any person or group of persons will be made during the discussion of controversial issues of public importance; and, during the course of political campaigns, the Programs are not to be used as a forum for editorializing about individual candidates.
- IV. No Gambling. Any form of gambling on the Programs is prohibited.
- V. Required Announcements. Programmer will broadcast any announcements required by applicable law or the Station's policies.
- VI. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game will be made over the Station. Any game, contest or promotion relating to, or to be presented over, the Station must be fully stated and explained in advance to Licensee, which reserves the right, in its discretion to reject any game, contest or promotion.
- VII. Licensee Discretion Paramount. In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with the Station's policies or which, in Licensee's judgment, would not serve the public interest.
- VIII. Programming Prohibitions. Programmer will not knowingly broadcast any of the following programs or announcements:
 - A. False Claims. False, deceptive or unwarranted claims for any product or service.

- B. Profanity and Foul Language. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or generally offensive, either in theme or in treatment.
- C. Partisan political advocacy or advocacy intended to influence current ballot initiatives.
- D. Lewd, prurient or lascivious materials, conduct, or activities.

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

EXHIBIT 12
REIMBURSABLE EXPENDITURES

Programmer shall reimburse Licensee for all music licenses that are currently operative; and all FCC license fees during the period of this agreement. Additionally, this LMA is a "passthrough" LMA; accordingly, the amount of the LMA payment is the sum of the Licensee's reimbursable expenses plus \$1.00 per year. Reimbursable expenses shall include transmitter operations, maintenance, repairs, replacements and lease payments. All replacements paid by Programmer will be owned by Programmer.