

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this "Agreement") is made as of August 1, 2003 between Northwest Radio Broadcasting Company ("Licensee") and Bustos Media Holdings of Oregon, LLC ("Programmer").

Recitals

- A. Licensee owns and operates radio station KGUY (AM), Milwaukie, Oregon (the "Station") pursuant to licenses issued by the Federal Communications Commission ("FCC").
- B. Programmer has available and/or is producing radio programs that it desires to have broadcast on the Station, and therefore desires to purchase airtime from Licensee for the broadcast of such programs.
- C. Licensee has agreed to make available to Programmer airtime on the Station and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.
- D. Licensee, as seller, and Programmer, as buyer, have entered into an agreement as of a date even herewith pursuant to which Programmer will purchase the assets of the Station (the "Asset Purchase 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") will begin on the August 1, 2003, and will continue for a period of five (5) years thereafter (the "Initial Term") or earlier terminated pursuant to Section 8 or Section 13 hereof
2. Programmer's Purchase of Airtime and Provision of Programming. During the Term, Programmer shall purchase from Licensee airtime on the Station for the price and on the terms specified below, and shall transmit to Licensee programming (the "Program" or "Programs") for broadcast on the Station up to twenty-four (24) hours per day, seven (7) days per week. Programmer will transmit, at its own cost, its Programs to the Station's transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards at least equal to those of the Station's broadcasts prior to commencement of the Term.

3. Broadcasting Obligations. In return for the payments to be made by Programmer hereunder, during the Term, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 6 below. Notwithstanding anything herein to the contrary, (i) Programmer may (but shall not be obligated to) stream programming furnished hereunder on any of the Station's internet websites, and Programmer shall be entitled to all revenue therefrom, and (ii) Licensee shall not include any programming furnished by Programmer hereunder in any internet streaming unless requested to do so by Programmer.

4. Advertising Sales; Accounts Receivable. Except as described in Section 2 above, Programmer will be exclusively responsible for the sale of such advertising on the Station and for the collection of accounts receivable arising therefrom, and Programmer shall be entitled to all revenues of the Station (including without limitation all revenues from the Station's websites, if any) during the Term. All contracts for advertising on the Station which may be entered into by Programmer shall terminate upon the termination of this Agreement (other than a termination pursuant to Section 8).

5. Term 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 Licensee as set forth on Schedule B attached hereto.

6. Operation, Ownership and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Station, it will have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term. Licensee will bear the responsibility for the Station's compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (1) employ a Station Manager for the Station, who will report to Licensee and will direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with Programmer, (2) employ an engineer for the Station, who will report and be solely accountable to the Station Manager and will maintain the Station's broadcast equipment and technical facilities, including its studio equipment, transmitter, tower, and transmission line, in good working condition (subject to the provisions of Section 7 below), and who shall have no employment, consulting, or other relationship with Programmer, and (3) retain control over the policies, programming and operations of the Station. Nothing contained herein shall prevent Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b) substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities. If in any month Licensee preempts any Programs, Licensee shall refund to Programmer such portion of the monthly payment made to Licensee pursuant to Section 5 hereof as the total time preempted bears to the total amount of time in the Broadcasting Period for such month. Licensee reserves the right to refuse to broadcast any Program containing matter which violates any right of any third party or which constitutes a "personal attack" as that term has been defined by the FCC. Licensee also reserves the right to 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 10. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee's instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review and inclusion in its public inspection file.

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

8. Asset Purchase Agreement. This Agreement shall terminate upon closing under the Asset Purchase Agreement executed concurrently. This Agreement may be terminated by either party in the event of any expiration or termination of the Asset Purchase Agreement upon ninety (90) days written notice.

9. Music Licenses. During the Term, Programmer will obtain and maintain in full force and effect in its own name all music licenses ("Music Licenses") as necessary for operation of the Station.

10. Programs.

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

10.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. During the Term, Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. Programmer shall

release advertising availabilities to Licensee during the Broadcasting Period as necessary to permit Licensee to comply with the political broadcast rules of the FCC; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

11. 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. Licensee shall provide Programmer, for no additional consideration, access to and use of the Station's studios to produce and deliver the Programs and otherwise to perform under this Agreement. Licensee will pay for the 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. Licensee will also pay for all utilities supplied to its main studio and transmitter sites. Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel.

12. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Station or any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement at the beginning of each hour of such Programs to identify such call letters, 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.

13. Events of Default; Termination.

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

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

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

13.4 Termination in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 13.3, the non-defaulting party may terminate this Agreement, upon ninety (90) days written notice to the defaulting party.

13.5 Cooperation Upon Termination. If this Agreement is terminated for any reason other than pursuant to Section 8, 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.

14. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of the Programs on the Station. Licensee shall indemnify and hold Programmer 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 its programming on the Station. The obligations under this Section shall survive any termination of this Agreement.

15. Authority. Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization and 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.

16. 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 Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor wills 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.

17. 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. Programmer may assign and delegate its rights and obligations under this Agreement to a party it deems to be qualified under applicable FCC rules, upon notice to, but not the prior written consent of, Licensee. 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.

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

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

20. Notice. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier, or transmitted by facsimile transmission and shall be deemed to have been duly delivered and received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, and on the same day if transmitted by facsimile, addressed as follows:

If to Licensee:

William Sizemore, President
Western Broadcasting Company
23630 S. Bluhm Road
Beaver Creek, OR 97004
Fax No.: 503-632-7414
E-mail: bill@otu.org

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

Dawn M. Sciarrino, Esquire
Shaw Pittman LLP
2300 N Street, NW
Washington, DC 20037-1128
Fax No.: 202-663-8007
E-mail: dawn_sciarrino@shawpittman.com

If to Programmer:

Amador S. Bustos
Bustos Media Holdings of Oregon, LLC
9134 Silverwood Court
Granite Bay, CA 95746
Fax No.: 916-791-9646
E-Mail: Amador@Bustos.com

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

Dennis J. Kelly, Esquire
P.O. Box 41177
Washington D.C. 20018
Fax No.: 410-626-1794
E-mail: dkellyfcclaw1@comcast.net

21. 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.

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

23. Force Majeure and Facilities Upgrades. The failure of either party hereto to comply with its obligations under this Agreement due to (i) the need to perform construction at the transmitter site or to move the transmitter site in response to FCC authorization of an improvement to or modification of the Station's operating parameters, or (ii) acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's control, will not constitute an Event of Default under Section 13 of this Agreement and neither party will be liable to the other party therefor, except that: (a) any resulting failure of Licensee to broadcast the Programs shall entitle Programmer to a pro rata reduction in the payment required under Section 5 of this Agreement, (b) any resulting failure of Licensee to broadcast the Programs for a continuous period of eighteen (18) hours or more at any time during the Term shall entitle Programmer to terminate this Agreement by providing Licensee written notice. Programmer and Licensee each agrees to exercise its best efforts to remedy the conditions described in parts "(i)" and "(ii)" of this Section as soon as practicable.

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.

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.

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SIGNATURES APPEAR ON FOLLOWING PAGE]

8-25-1996 2:59AM
JUL-21-03 THU 16:08

FROM

FAX NO. 415 478-1674

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**SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING
AGREEMENT**

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

PROGRAMMER:

BUSTOS MEDIA HOLDINGS OF OREGON, LLC

By: 

Amador Bustos
Managing Member

LICENSEE:

NORTHWEST RADIO BROADCASTING COMPANY.

By: 

William Sizemore
President

SCHEDULE A
TO
LOCAL PROGRAMMING AND MARKETING AGREEMENT

Licensee reserves the right to run any public affairs program of up to thirty (30) minutes in length during Saturday or Sunday between 6:00 and 7:00 a.m.

SCHEDULE B
TO
LOCAL PROGRAMMING AND MARKETING AGREEMENT

Term Payments

During the Term, Programmer shall pay on behalf of Licensee the Station Expenses (defined below). As used herein, the term "Station Expenses" means the reasonable operating expenses of the Station incurred by Licensee in the ordinary course of business during the month for which Licensee is obligated. The Station Expenses are expressly limited to the following categories:

1. \$6,000 per month payment to Spartan Media (except principal portion of each monthly payment under the note shall be credited to Buyer upon consummation of Asset Purchase Agreement between the parties.)
2. Rent on Tower Lease
3. Utilities