

LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement ("Agreement") is made as of August 5, 1998 by and between **Maranatha Broadcasting, Inc.**, a Texas corporation ("Licensee"), and Clear Channel Radio, Inc. a Nevada corporation ("Programmer").

Recitals

A. Programmer is the licensee of and operates radio stations KTKR-AM, KAJA-FM, WOAI-AM, and KQXT-FM, licensed by the Federal Communications Commission ("FCC") to serve San Antonio, Texas (collectively, the "Clear Stations").

B. Licensee owns and operates radio station KCHG-AM, licensed by the FCC to serve Somerset, Texas on 810 kHz (the "Station"), and holds a construction permit from the FCC to modify the Station to operate with Class C-2 facilities ("the Upgrade Authority"). Licensee desires to sell to Programmer airtime for the broadcast of programs produced by Programmer on the Station.

C. Programmer has available and 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.

D. 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.

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:

1. Agreement Term. The term of this Agreement (the "Term") will begin August 6, 1998 at 7:00 p.m. and will continue until August 3, 2003, unless earlier terminated in accordance with the provisions set forth in Section 8 or Section 13. If Programmer has not given notice by the ninetieth day before the expiration of the Term, this Agreement shall automatically be extended for an additional five-year term, and that same procedure shall govern at the end of the extension term, up to a total of the Term plus three possible five-year extensions.

2. Programmer's Purchase of Airtime and Provision of Programming. Programmer shall purchase from Licensee airtime on the Station for the price and on the terms specified below, and shall transmit to Licensee programming that it produces or owns (the "Program" or "Programs") for broadcast on the Station twenty-four (24) hours per day, seven (7) days per week, excluding such hours during the period from 7:00 a.m. to 11:00 p.m. each Sunday morning as Licensee, in its discretion, deems necessary for Licensee to broadcast programming responsive to ascertained community needs (the "Broadcasting Period"). Programmer 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, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 7 below and to the right of Licensee to reject any Program or Programs which do not meet Licensee's technical standards, as set forth in Section 2 above.

4. Advertising Sales; Accounts Receivable.

4.1 New Accounts. Programmer will be exclusively responsible for the sale of advertising on the Station and for the collection of accounts receivable arising from its sale of advertising for the hours during which it is responsible for programming the Station. At its election, Programmer may sell advertising on the Station in combination with advertising on the Clear Stations, provided that advertisers will remain able to purchase advertising only on the Station if they so desire. All contracts for advertising on the Station which may be entered into by Programmer shall terminate upon the termination of this Agreement.

4.2 Carryover Accounts. Programmer agrees to assume the obligation to provide advertising time on the Station in consideration of zero "trade" accounts in existence as of the date of this Agreement on a time available basis during the first twelve (12) months of the term of this Agreement, and in an amount not to exceed \$10,000 worth of advertising time. Licensee will transfer and assign to Programmer any and all unused goods or services received from "trade" account advertisers in consideration of such advertising time. Existing long-term contracts for the sale of advertising time on the Station shall be canceled by Licensee on or prior to the effective date of this Agreement, provided, however, that Programmer agrees to enter into new contracts on comparable terms with any advertiser whose contract is canceled and who wishes to continue advertising on the Station. Licensee shall be responsible for the collection of any cash accounts receivable for the period prior to the effective date of this Agreement.

5. Term Payments. For the broadcast of the Programs, Programmer will make payments to Licensee as specified in Exhibit 5.1.

6. Delivery a Condition to Broadcast of Programs Licensee shall begin broadcasting the Programs in accordance with Section 3 above upon delivery of Programs by Programmer.

7. 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 of 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, Licensee will: (1) employ a full time management level staff person for the Station, who will be based at the Station and spend full time on station activities and who will report to Licensee and direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with the Programmer, (2) employ one or more non-management staff persons who, together, shall constitute the equivalent of a full-time staff person, and who will report and be solely accountable to Licensee who shall have no employment, consulting, or other relationship with Programmer, and (3) 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, and (4) ascertain the issues facing the community of license and prepare quarterly issues/programs lists as required by the rules of the FCC. Programmer shall assist Licensee in preparing such lists by providing it with lists of issues programming which it broadcasts during the Broadcasting Period. Nothing contained herein shall prevent or hinder Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b)

substituting a program (or programs) which Licensee believes to be of greater local or national importance or which is (are) designed to address the problems, needs and interests of the community of Devine, Texas; provided, however, if in any month Licensee preempts any Program(s) pursuant to clause (a) of the preceding clause, Licensee shall refund to Programmer such portion of the monthly payment made to Licensee pursuant to Section 5.1 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, 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. 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 1211 or in Schedule A hereto. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy set forth in 47 C.F.R. Section 73.1212, and as this policy may be changed from time to time by the FCC. 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.

8. 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 tower and transmitter site and equipment in good working order.

9. Special Rights to Terminate.

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

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

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 ("Licensor"). All Music Licenses fees shall be paid by Programmer.

11. Programs.

11.1 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. 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. 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 Somerset, Texas, 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.

11.2 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. 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. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC and the provisions of Section 315 of the Communications Act of 1934, as amended; provided, however, that revenues received by Licensee as a result of any such release of advertising 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 to Licensee and (ii) the costs of delivering the Programs to Licensee. Programmer will use its own production facilities to create the Programs. Licensee will pay for the

maintenance and repair of all studio and transmitter equipment and all other operating costs required to be paid to maintain Station 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. Programmer shall, at its option, implement the Upgrade Authority at Programmer's cost, under the direction and supervision of Licensee.

13. Call Signs. Licensee will retain all rights to the call letters KCHG-AM 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 in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify KCHG-AM or such other 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 KCHG-AM, 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.

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:

- (a) Programmer fails to make timely payments in full as provided for in Section 5 of this Agreement;
- (b) Programmer fails to observe or perform any other covenant, condition or obligation contained in this Agreement; or
- (c) Breach or violation by Programmer of any representation or warranty made by it under this Agreement.

14.2 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 any covenant, condition or obligation contained in this Agreement; or
- (b) Breach or violation by Licensee of any representation or warranty made by it under this Agreement.

14.3 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(s) of Default and such Event(s) of Default remain(s) uncured.

14.4 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 15.313.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party. In the event of such termination by Programmer, (i) Licensee shall refund to Programmer the pro rata portion of the payments which Programmer has made to Licensee pursuant to Section 5.1 for the month of termination and (ii) if Programmer has improved the Station facilities at its own cost, including implementation of the Upgrade Authority,

Licensee shall have the option for 30 days of buying the improvements at Programmer's cost, leasing the improvements from Programmer at fair market rate (to be set by an objective outside party acceptable to both parties or else through arbitration), or permitting Programmer to remove the improvements from the Licensee's premises.

14.5 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 return the parties to the status quo ante, subject to applicable provisions herein.

15. 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 Programs. Further, Programmer warrants that the broadcasting of the Programs will not violate any rights of any third party, and Programmer agrees to indemnify and hold the Station, and Licensee's officers, directors, agents, stockholders, and employees harmless against any claim, damages, liability, costs and expenses, including counsel fees (at trial and on appeal), arising from the production and/or broadcasting of the Programs. Programmers' obligation to hold Licensee harmless under this Section shall survive any termination of this Agreement:

16. Authority. Programmer and Licensee each represents that it has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Each of Licensee and Programmer is a corporation which is in good standing in the state of its incorporation 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.

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.

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 to such assignment. 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. Programmer shall not enter into a local programming and marketing agreement such as this Agreement with any third party without the advance written consent of Licensee.

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

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

21. Notice. Any notice required under this Agreement must be 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:

Maranatha Broadcasting, Inc.

2803 2302 Pendant Pass
San Antonio, Texas 78232
Attn: Myron Wade
Facsimile: 210-804-1515

210 545-6201
6713

To Programmer:

Clear Channel Radio, Inc.
200 Concord Plaza, Suite 600
San Antonio, Texas 78216
Attention: Mark P. Mays
Facsimile: 210-822-2299

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

Schwartz Woods & Miller
1350 Connecticut Ave., N.W. Suite 300
Washington, DC 20036-1717
Attention: Lawrence M. Miller, Esq.
Facsimile: 202-833-2351

22. 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.

23. 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.

24. 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 beyond a brief interruption in service, not to exceed five (5) hours, due to causes beyond Licensee's control shall entitle Programmer to a pro rata reduction in the payment required under Section 5.1 of this Agreement with respect to periods during which Licensee facilities failed or were impaired or were not furnished, and
- (b) any resulting failure of Licensee to broadcast the Programs for ten (10) or more consecutive days shall entitle Programmer to terminate this Agreement by providing Licensee notice of Programmer's decision to terminate.

Programmer and Licensee each agrees to exercise its best efforts to remedy the conditions in parts "i" and "ii" of this Section as soon as practicable.

25. 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. Programmer shall file a copy of this Agreement with the FCC and place a copy of this Agreement in its local public inspection file. Programmer shall place a copy of this Agreement in the local public inspection file maintained for its San Antonio area stations

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.

26. 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.

27. Successors and Assigns. This Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

28. Certifications.

28.1 Programmer's Certification. Programmer hereby certifies that this Agreement complies with the provisions of Sections 73.3555(a)(1) and (e)(1) of the FCC's rules.

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

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.

PROGRAMMER:

CLEAR CHANNEL RADIO, INC.

MARANATHA BROADCASTING, INC.

By: 
Name: Myron Wade
Title: 

their respective duly authorized representatives, each as of the date first above written.

PROGRAMMER:

CLEAR CHANNEL RADIO, INC.

By:

Name: Mark O. Hubbard
Title: Senior Vice President

LICENSEE:

MARANATHA BROADCASTING, INC.

By:

Name: Myron Wade
Title: _____

KCHG-AM REIMBURSABLE EXPENDITURES

REDACTED

TIME BROKERAGE AGREEMENT
Schedule A

Program and Operation Standards

Licensee and Programmer shall cooperate in the broadcasting of programs of the highest possible standard of excellence. Without limiting the generality of the foregoing, they will observe the following policies in the preparation, writing and production of their own (non-syndicated or network) programs:

I. Respectful of Faiths. The subject of religion and references to particular faiths and tenets shall be treated with respect at all times.

II. Controversial Issues. Any discussion of controversial issues of public importance shall 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 shall be made during the discussion of controversial issues of public importance, and where such attacks are inadvertently made the party providing the program shall comply with the FCC's personal attack rule; and during the course of political campaigns, Station programs (other than public forum or talk features) are not to be used as a forum for editorializing about individual candidates. If such events occur, Licensee may require that responsive programming be aired.

III. Donation Solicitation. Requests for donations to a religious organization in the form of a specific amount shall not be made if there is any suggestion that such donations will result in miracles, physical cures or life-long prosperity. However, statements generally requesting donations to support the broadcast or a sponsoring church are permitted.

IV. No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, or otherwise lawful, is prohibited.

V. No Lotteries. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.

VI. Election Procedures. At least fifteen (15) days before the start of any primary or regular election campaign, Programmer will clear with Licensee's manager the rate Programmer will charge for the time to be sold to candidates for public office and/or their supporters to make certain that the rate charged is in conformance with applicable law and station policy.

VI. Required Announcements. The parties shall cooperate in complying with the FCC's hourly station identification requirements. In addition, Programmer shall broadcast an announcement at the beginning of each broadcast day or Programmer broadcast period to indicate that program time has been purchased by Programmer and shall make any other announcements required by law, regulation or FCC policy.

VII. License Discretion Paramount. In accordance with the licensee's responsibility under the Communications Act of 1934, as amended, and the rules of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising or programming being presented over the Station which is in conflict with Station policy or which in Licensee's sole but reasonable judgment would not serve the public interest.

VIII. Programming Prohibitions. Programmer shall not knowingly broadcast any of the following programs or announcements:

- A. False Claims. False or unwarranted claims for any product or service.
- B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- C. Commercial Disparagement. Any unfair disparagement of competitors or competitive goods.
- D. Obscenity. Any programs or announcements that are obscene or that are indecent as a matter of law and broadcast outside of the FCC "safe harbor" period.
- E. Unauthenticated Testimonials. Any testimonials which cannot be authenticated.
- G. Contests. Any contests or promotions which are in any way misleading or constitute a public nuisance or are likely to lead to injury to persons or property.
- I. Telephone Conversations. Any programming in violation of any statute, regulation or policy, including without limitation to, Section 73.1206, or any successor FCC rule, dealing with the taping and/or broadcast of telephone conversations.

The parties may jointly waive any of the foregoing policies in specific instances if, in their opinion, good broadcasting in the public interest is served.

Maramatha Broadcasting Co.

Addendum To Page ¹⁶~~19~~ of LMA Agreement

REDACTED


Myron Wade