



February 13, 2003

Jayson Fritz  
President/General Manager  
Fritz Broadcasting Co., Inc.  
P.O. Box 311  
Fredericksburg, Texas 78624-0311

Dear Jason:

Reference is made to our letter agreement, dated May 31, 2002, relating to radio stations KTND-FM and KFAN-FM (the "May 2002 Letter Agreement"). Subsequent to the date of the May 2002 Letter Agreement, we have further refined our plans to improve the signal coverage for the stations and contemplate entering into an agreement to sell the assets of KTND-FM to a subsidiary of Hispanic Broadcasting Corporation ("Purchaser") for \$16 million.

Our agreement with the Purchaser includes two phases for the improvement of KTND-FM's signal coverage:

- A. Phase I involves a tower site change of KTND-FM. KTND-FM will stay on Ch 299C3.
  - a. The new tower site would keep KTND-FM's existing city of license at a site southwest of its existing location.
  - b. This change requires the Purchaser to accept a C0 status for KXTN-FM in San Antonio, and for you to accept a downgrade of KFAN-FM from Ch 300C2 to Ch 300C3 at its existing site.
  - c. Phase I can be completed with the FCC by an application process only and should be completed within four months.
- B. Phase II involves a tower site and/or frequency change of KTND-FM from Ch 299C3 to Ch 300 (A or C3).
  - a. The new tower site would require a change in city of license at a site closer to downtown Austin.
  - b. This may require KFAN-FM to further downgrade power to a Class A and relocate their transmitter site from Johnson City to an adjacent location. None of these changes would materially alter our intent to maintain (or improve) signal coverage over the Fredericksburg and Kerrville areas.
  - c. Additional changes involving other FCC licensees may be required to successfully complete Phase II. There is no assurance given at present that other parties who may be involved will cooperate with the proposed rulemaking.

- d. Phase II requires a rather cumbersome FCC rulemaking process involving a number of other parties. We expect it to take 18-24 months to complete. Both Phases I and II can be pursued simultaneously.

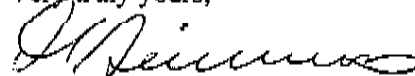
Accordingly, you and we hereby agree to modify the May 2002 Letter Agreement as follows:

- 1) You and we acknowledge that the \$100,000 initial cash payment previously made by Simmons Media Group is non-refundable.
- 2) Fritz Broadcasting acknowledges that a \$500,000 loan from Crestwood Communications Inc. was funded on December 30, 2002 with payments beginning May 1, 2003 and continuing for the next 240 months.
- 3) Fritz Broadcasting agrees to cooperate fully with the preparation and filing of all required applications and documents with the FCC for the downgrade of KFAN Ch. 300C2 to Ch. 300C3. Within 10 days of FCC grant of a Construction Permit ("CP") for the KFAN downgrade to Ch 300C3 ("KFAN C3 Downgrade"), Simmons Media Group and/or Purchaser agree to pay Fritz Broadcasting \$650,000 in cash.
- 4) In the event that Simmons Media Group and/or Purchaser elects to pursue Phase II, as described, they will pay Fritz Broadcasting an additional \$250,000 in cash within 10 days from the date that KFAN-FM has received a grant from the FCC for a Construction Permit to downgrade to a Class A and to relocate its transmitter site from Johnson City to an adjacent location.
- 5) Upon the KFAN C3 Downgrade, Simmons Media Group and/or Purchaser will place \$250,000 into an escrow account at Cattleman's National Bank, Round Mountain, Texas, to assure their performance under paragraph 4 above. The account will be in the form of a 30-month certificate of deposit. Interest on the escrow funds will be paid to Fritz Broadcasting. If the Simmons Media Group and/or Purchaser have not completed Phase II within the 30 months after the KFAN C3 Downgrade, Simmons Media Group and/or Purchaser will retain sole right to the \$250,000 in the escrow account.
- 6) At the end of 30 months after the KFAN C3 Downgrade, Simmons Media Group and/or Purchaser may elect to release the escrow funds to Fritz Broadcasting in consideration of your continued cooperation to make the required changes to your station and transmission facilities contemplated under Phase II. Such cooperation will continue until Phase II is successfully completed.
- 7) All expenses associated with Phases I and II including engineering fees, legal fees, FCC fees, plus the purchase and installation of equipment, including tower site and tower will be borne by Simmons Media Group and/or Purchaser.
- 8) Fritz Broadcasting consents to allow Simmons Media Group to assign to Purchaser our obligations under paragraphs 3, 4, 5, 6 and 7 above. Upon assignment of these obligations to Purchaser, Simmons Media Group will remain liable for these obligations if Purchaser fails to fully perform as agreed.

- 9) Fritz Broadcasting further agrees that paragraph 3 of the May 2002 Letter Agreement shall become void and of no further force and effect if and to the extent that the sale of KTND-FM to Purchaser for a purchase price of \$16 million is consummated. Should the sale of KTND-FM to Purchaser for \$16 million not occur, the provisions contained in paragraph 3 of the May 2002 Letter Agreement will continue in full force as previously agreed.

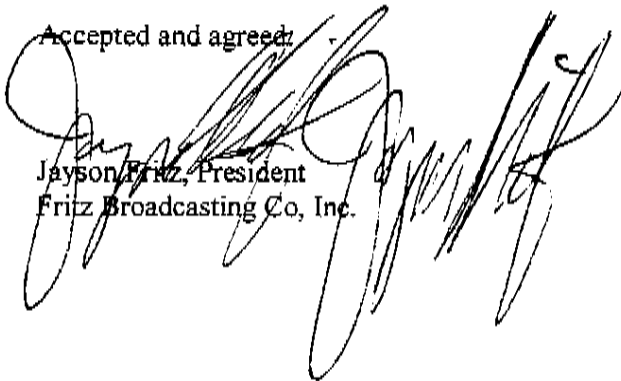
Please indicate your acceptance of the terms of this letter agreement by your signature in the space provided below.

Very truly yours,



David Simmons, President  
Simmons Media Group, LLC

Accepted and agreed:



Jayson Fritz, President  
Fritz Broadcasting Co, Inc.



May 31, 2002

Jason Fritz  
President/General Manager  
Fritz Broadcasting Co., Inc.  
P.O. Box 311  
Fredericksburg, Texas 78624-0311

Dear Jason,

We appreciate the chance to pursue an opportunity that has the potential of benefiting both Fritz Broadcasting Co. and the Simmons Media Group.

As we have discussed, we believe engineering changes to both KFAN-FM in Johnson City, and KTND-FM in Georgetown may lead to improved signal coverage over markets we serve. Specifically, we believe KTND-FM may improve its signal over some parts of the Austin market, and KFAN-FM may end up improving its coverage over the Fredericksburg and Kerrville markets.

In order to achieve these improvements in market coverage, both of our stations would be required to make FCC license and engineering changes to our existing stations. Due to the potential increase in value to our Georgetown station, we are willing to offer you the following consideration for your willingness to make the required changes to your station and transmission facilities:

1. Enclosed with this letter is an initial cash payment of \$100,000 as the Initial Down Payment. Upon acceptance of the terms outlined in this letter, the \$100,000 becomes non-refundable to us.
2. We will pay you an additional \$900,000 within ten days following staff consent of an FCC authorization approving the required changes to both of our licenses.
3. We will pay you an additional amount equal to 25% of all gross sales consideration received by us in excess of \$18 million ("the Base Amount") upon the sale of KTND-FM during the next 24 months. Following this first year period, we will agree to pay you 25% of all gross sales consideration received in excess of the Base Amount plus 10% compounded per annum (i.e. from June 1, 2004 until May 31, 2005 the new minimum level would be \$19.8 million).
4. The total consideration to be paid, excluding items listed below, would be no greater than \$5 million.
5. We also will agree to extend a senior credit facility in the amount of \$500,000 to Fritz Broadcasting Co. The senior credit facility will have a fixed interest rate of six percent (6%) per annum with a 20-year amortization term. Security for the

Jason Fritz  
May 31, 2002  
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loan will be limited to the assets of KFAN-FM 107.9 presently licensed to Johnson City, TX prior to the engineering changes discussed in this letter agreement.

6. We will pay all reasonable costs associated with engineering, legal, and equipment requirements associated with the FCC license change. Equipment upgrades would include any reasonable effort to optimize the signal coverage of KFAN-FM as set forth in the attached engineering (to be provided and mutually agreeable to both parties).

The specific license and engineering changes required at present, to the best of our knowledge, include a reduction in transmission power to a Class A FM, and a move of the city of license from Johnson City to an adjacent location to be specified. Some variations of these changes may be required, but none which would materially alter our intent to maintain (or improve) signal coverage over the Fredericksburg and Kerrville areas.

If you are in agreement with the terms and conditions of this letter, please acknowledge your acceptance on the signature line provided below. We look forward to working jointly with you to accomplish this opportunity.

Sincerely,



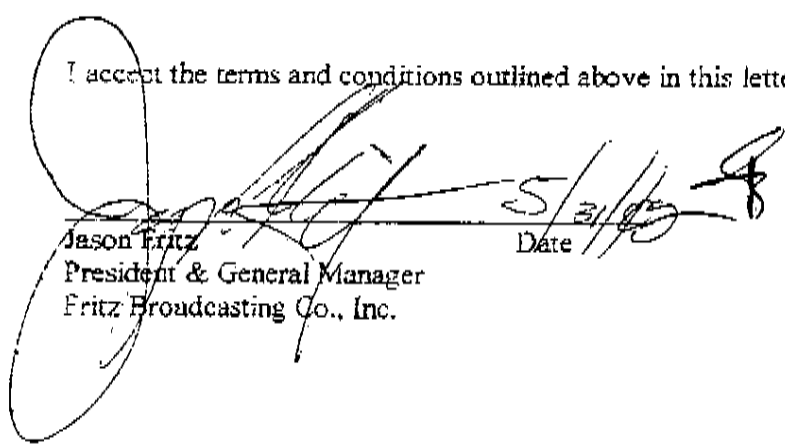
David E. Simmons  
President

5-31-02

Date



I accept the terms and conditions outlined above in this letter agreement.



Jason Fritz  
President & General Manager  
Fritz Broadcasting Co., Inc.

5/31/02  
Date