

PROMISSORY NOTE

\$105,000.00

Beaumont, Texas
_____, 2001

FOR VALUE RECEIVED, FRED R. MORTON ("Maker") hereby promises to pay **COVENANT MEDIA SERVICES, INC.** ("Payee") the principal sum of One Hundred Five Thousand Dollars (\$105,000.00), plus interest on the unpaid principal balance as a rate set forth below under this promissory note (the "Promissory Note").

1 Principal and Interest. The principal hereof from time to time remaining unpaid shall bear interest from the date of this Promissory Note until paid in full at the fixed rate of eight percent (8%) per annum (the "Fixed Rate"). Interest shall be computed on the basis of a thirty day month, 360 day year.

2 Prepayment. Maker reserves the right to prepay all or any portion of this promissory Note at any time from time to time without premium or penalty of any kind.

3 Payment of Interest and Principal.

3.1 Maturity. Subject to Maker's right to prepay, all principal and interest due and payable under this Promissory Note shall be due and payable in full on _____, 2008. (The "Maturity Date").

3.2 General. All payments made under this Promissory Note shall be made in lawful currency of the United States of America to Payee at Payee's address specified in Section 6 herein.

3.3 Monthly Payments. Payment of the Note shall be made in eighty-four (84) monthly payments of One Thousand Six Hundred Thirty Six Dollars and Fifty Five Cents (\$1,636.55). The first monthly installment payment on this Promissory Note shall be due on the first day of the second full month following the Closing on Maker's acquisition from Payee of Radio Station KRCM(AM) Beaumont, Texas. Subsequent monthly installment payments shall be due and payable on the first day of the month.

4 Acceleration. If: (i) Maker shall fail to pay when due any principal or interest on this Promissory Note and such failure shall continue for ten (10) days after receipt of written notice of such failure; (ii) attachment or garnishment proceedings are commenced against Maker; or (iii) a receiver, trustee or liquidator is appointed over or execution levied upon any property of Maker; or (iv) proceedings are instituted by or against Maker under any bankruptcy, insolvency, reorganization, receivership or other law relating to the relief of debtors from time to time in effect, including without limitation the United States Bankruptcy Code, as amended; then, and in any such event Payee may declare, at its sole option, the remaining unpaid balance of this Promissory Note and all accrued interest thereon immediately due and payable in full.

5 Amendments. This Promissory Note cannot be amended or modified except in writing signed by Maker and Payee, The terms of this Promissory Note shall be binding upon Maker and its successors and assigns and shall inure to the benefit of Payee, its heirs, legal representatives, successors and assigns, and any owner or Payee of this Promissory Note.

6 Notice. Any notice or other communication required or permitted hereunder is deemed delivered when delivered in person, on the next business day when sent by Federal Express of a similar overnight delivery service, or on the third business day when sent by ordinary United States mail service as follows:

If to Maker: Fred R. Morton
4703 Orkney Drive
Missouri City, TX 77469

With a copy to: James A. Koerner, Esq.
Koerner & Olender, P.C.
5809 Nicholson Lane, Suite 124
North Bethesda, MD 20852

If to Payee: Covenant Media Services, Inc.
14415 Hargrove Road
Houston, TX 77070

With a copy to: Scott C. Cinnamon, Esq.
Law Offices of Scott C. Cinnamon
1090 Vermont Ave., Suite 800
Washington, D.C. 20005

The parties to this Promissory Note shall promptly notify each other in the manner provided in this Section of any change in their respective mailing addresses. A notice of change of address shall not be deemed to have been given until received by the addressee.

7 Governing Law. This Promissory Note shall be governed, construed and enforced in accordance with the laws of the State of Texas, without giving effect to the choice of laws provisions thereof.

IN WITNESS WHEREOF, the undersigned has duly caused this Promissory Note to be executed and delivered at the place specified above and as of the date first written above.

FRED R. MORTON
