

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this "Agreement") is made as of August 11, 2004 between the company designated as Licensee on the signature page hereto ("Licensee"), and the company designated as Programmer on the signature page hereto ("Programmer").

Recitals

A. Licensee owns and operates the following radio station (the "Station") pursuant to licenses issued by the Federal Communications Commission ("FCC"):

KSRT (FM), Cloverdale, CA

B. Licensee and its partners are parties to a proceeding in the Superior Court of California, County of San Joaquin, Stockton Branch (the "Court"), case no. CV017379, captioned as Philip K. Moore, plaintiff, vs. Lori A. Moore, Glen A. Robinson, Jo Ann Robinson, Point Broadcasting, etc., et al., defendants, and related cross-action.

C. Pursuant to an order of the Court issued on June 17, 2004, an auction for the Station Assets (as defined below) was conducted by the Court on July 19, 2004, as a result of which Programmer was selected to purchase the Station Assets and enter into a local marketing agreement with Licensee.

D. Consistent with the results of such auction, Licensee desires to obtain programming for the Station, and Programmer desires to provide programming for broadcast on the Station, on the terms set forth in this Agreement.

E. Licensee (as Seller) and Programmer (as Buyer) are parties to an Asset Purchase Agreement of even date herewith (the "Purchase Agreement") with respect to the Station.

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, hereby agree as follows:

1. Term. The term of this Agreement (the "Term") will begin on August 12, 2004 (the "Commencement Date"), and will continue until the date three (3) years after the Commencement Date, unless earlier terminated in accordance with the terms of this Agreement or extended by mutual written agreement.

2. 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 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 (the "Broadcasting Period"), except that Licensee may set aside the period from 6:00 a.m. to 8:00 a.m. each Sunday morning for the broadcast of programming produced or selected by Licensee. Programmer will produce its Programs at the Station's transmitting facilities or 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. 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. During the Term, Licensee shall provide Programmer with the benefits of any Station Contracts (as defined in the Purchase Agreement) and Programmer shall perform the obligations of Licensee thereunder.

4. Advertising. During the Term, Programmer will be exclusively responsible for the sale of advertising on the Station and for the collection of accounts receivable (in accordance with Section 10.6 of the Purchase Agreement) arising therefrom, and Programmer shall be entitled to all such collections. 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 at closing under the Purchase Agreement).

5. 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 A* attached hereto. All payments shall be made to the notice address for Licensee herein or such other address as Licensee from time to time specify by notice to Programmer.

6. Control. Notwithstanding anything to the contrary in this Agreement, Licensee has full authority, power and control over the operation of the Station during the Term. Without limiting the generality of the foregoing, Licensee will: (1) employ a management level employee for the Station, who will report to Licensee and whose duties will include one or more of the following: programming, sales, promotion, or general management functions, and who shall have no employment, consulting, or other relationship with Programmer, (2) employ an engineer or other employee who may be non-managerial for the Station on a full-time or part-time basis consistent with FCC rules, policies and precedents, who will report and be accountable to the Licensee, 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 served by the Station. Selection, removal and replacement of the two employees described above shall be at the sole discretion of Licensee. 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. 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’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. Pursuant to FCC Rule 73.3555, Licensee hereby certifies that it maintains ultimate control over the Station’s facilities, and Programmer hereby certifies that its entry into this Agreement complies with paragraph (a)(1) of FCC Rule 73.3555.

7. Music Licenses. During the Term, Licensee will obtain and maintain its current music licenses (“Music Licenses”) with respect to the Station. All Music Licenses fees during the Term shall be reimbursed by Programmer.

8. Programs.

(a) Programmer shall ensure that the contents of the Programs it transmits to Licensee conform to all FCC rules, regulations and policies, including but not limited to station identifications, EAS compliance, and maintenance of appropriate logs. Programmer shall 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.

(b) Licensee shall oversee and have 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.

9. 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 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; provided, however, that Licensee shall not be required to hire more employees than provided in Section 6.

10. 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.

11. Maintenance. During the Term, Licensee, or Programmer under Licensee's direction, shall maintain the operating power of the Station and shall repair and maintain the Station's towers and transmitter sites and equipment consistent with its past practice.

12. Facilities.

(a) During the Term, Licensee shall provide Programmer access to and the use of space at Licensee's studio and offices for the Station (to the extent that Licensee maintains such space) for purposes of providing the Programs as is reasonably necessary for Programmer to conduct its activities as set forth this Agreement. When operating Licensee's facilities, Programmer's personnel shall be subject to the direction and control of Licensee's management personnel and shall not act contrary to the terms of any lease for the premises.

(b) If requested by Licensee, during the Term, Programmer shall provide Licensee's named representatives access to and the use of Programmer's studio and transmission facilities located in the Station's market as reasonably necessary for Licensee to comply with its obligations under applicable FCC rules and this Agreement. When on Programmer's premises, Licensee shall not act contrary to the terms of any lease for such premises.

13. Representations. Each of Programmer and Licensee represents and warrants to the other that this Agreement constitutes the valid and binding obligations of such person, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

14. Purchase Agreement. This Agreement shall terminate automatically upon closing under the Purchase Agreement. This Agreement may be terminated by either party in the event of any expiration or termination of the Purchase Agreement.

15. Events of Default.

(a) The occurrence of any of the following will be deemed a "Default" by Programmer under this Agreement: (i) Programmer fails to make timely payments as provided for in Section 5 of this Agreement; (ii) Programmer fails to observe or perform its other obligations contained in this Agreement in any material respect; or (iii) Programmer breaches the representations and warranties made by it under this Agreement in any material respect.

(b) Except as provided in section 22, the occurrence of the following will be deemed a "Default" by Licensee under this Agreement: (i) Licensee fails to observe or perform its obligations contained in this Agreement in any material respect; or (ii) Licensee breaches the representations and warranties made by it under this Agreement in any material respect.

(c) A Default shall be deemed to be an "Event of Default" thirty (30) days after the non-defaulting party has provided the defaulting party with written notice specifying the Default, if such Default remains uncured at the end of such thirty-day period. Upon the occurrence and during the continuance of an Event of Default, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party. If this Agreement is terminated for any reason other than at closing under the Purchase Agreement, then, without limitation of any other remedy that may be available to a party by reason of any Event of Default, the parties agree to cooperate with one another and to take all actions necessary to terminate this Agreement and return the parties to the status quo ante, with accounts receivable for periods prior to and subsequent to termination allocated to Programmer and Licensee, respectively, and collected in a manner equivalent to that set forth in Section 10.6 of the Purchase Agreement. Returning the parties to the status quo ante does not contemplate refunding any fees paid to Licensee for periods prior to termination or paying over any revenues generated by Programmer prior to the date of termination.

16. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability (a) 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, or failure to comply with applicable law, resulting from the broadcast of any material furnished by Programmer for broadcast on the Station, (b) resulting from wrongful conduct on the part of Programmer's employees, or (c) resulting from any Event of Default by Programmer under this Agreement. Licensee shall indemnify and hold Programmer harmless against any and all liability (i) 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, or failure to comply with applicable law, resulting from the broadcast of Licensee's programming on the Station, (ii) resulting from wrongful conduct on the part of Licensee's employees, or (iii) resulting from any Event of Default by Licensee under this Agreement. The obligations under this Section shall survive any termination of this Agreement.

17. Successors and Assigns. Neither party may assign its rights or obligations under this Agreement, either in whole or in part, without the prior written consent of the other; provided, however, that Programmer may assign all of its rights and obligations under this Agreement to any person or entity controlling, controlled by or under common control with Buyer without the consent of Seller. No assignment relieves Programmer of any obligation under this Agreement. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their successors and 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 successors and assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

18. Modification and Waiver. No modification or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such modification or waiver is asserted, and no failure to exercise any right, power, or privilege hereunder shall operate to restrict the exercise of the same right, power, or privilege upon any other occasion or to restrict the exercise of any other right, power, or privilege upon the same or any other occasion. The rights, powers, privileges, and remedies of the parties hereto are cumulative and are not exclusive of any rights, powers, privileges, or remedies which they may have at law, in equity, by statute, under this Agreement, or otherwise.

19. Severability. 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 unless a party is deprived of a benefit of this Agreement in any material respect. If necessary to comply with applicable law (including compliance with any changes in the FCC's ownership rules), the parties will modify this Agreement to effect compliance without depriving either party of the benefits of this Agreement in any material respect, unless such a modification is not possible, in which event this Agreement may be terminated by either party by written notice to the other effective when compliance is required (after taking into account any grandfathering or grace period). In the event that this Agreement is terminated pursuant to the preceding sentence, then Licensee and Programmer shall work together, in a manner consistent with all applicable laws and regulations, to take all commercially reasonable steps to assure that programming and operating activities are transferred to and assumed by Licensee in an orderly manner and that the business and operations of the Station are maintained and continued and the value of the Station is preserved. 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.

20. Notices. 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 or delivered by overnight air courier and shall be deemed to have been duly delivered and received 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 maintaining records of receipt if sent by an overnight delivery service for next morning delivery, addressed as follows:

If to Programmer: Results Radio of the North State, LLC
1355 North Dutton Avenue, Suite 225
Santa Rosa, California 95401
Attention: Jack W. Fritz II, President

with a copy (which shall
not constitute notice) to: Covington & Burling
1201 Pennsylvania Avenue, NW
Washington, D.C. 20004
Attention: Michael E. Cutler

If to Licensee: Point Broadcasting
2432 W. Tokay Street
Lodi, CA 95242
Attention: Glen Robinson

with copies (which shall
not constitute notice)to: Gammon & Grange, P.C.
8280 Greensboro Drive, 7th Floor
McLean, VA 22102-3807
Attention: A. Wray Fitch, III

and to: Angus M. MacLeod, Esq.
Becherer, Kannett & Schweitzer
2200 Powell Street, Suite 805
Emeryville, CA 94608

and to: John H. McKinley, Esq.
Brown, Hall, Shore & McKinley, LLP
The Fountains
3031 West March Lane, Suite 230 West
Stockton, CA 95219-6500

21. Attorney Fees. In the event of a breach of this Agreement, the prevailing party in any action to enforce its rights under this Agreement shall be entitled to recover reasonable attorneys' fees from the breaching party.

22. Main Studio/Tower Site. In the event that the Station is unable to broadcast for any period of up to 90 consecutive days, then Programmer shall be relieved of any obligation to provide programming or pay any fees hereunder for the period that the Station is not on the air. In the event that such inability to broadcast is due to events beyond the control of Licensee or due to loss of the transmitter site or main studio, such inability to broadcast shall not be deemed a breach and such suspension of payment obligations shall be the exclusive remedies of Programmer under this Agreement and Licensee shall not be liable for damages by reason of such inability.

23. Miscellaneous. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Each party agrees that delivery of this Agreement by facsimile transmission will be deemed to be an original of this Agreement. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement. Except as otherwise expressly provided in this Agreement or as the context otherwise requires, the following rules of interpretation apply to this Agreement: (i) the singular includes the plural and the plural includes the singular; (ii) "or" and "any" are not exclusive and the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation"; (iii) a reference to any contract includes permitted supplements and amendments; (iv) a reference to a law includes any amendment or modification to such law; (v) a reference to a person or entity includes its successors and permitted assigns; (vi) a reference to one gender shall include any other gender; and (vii) a reference in this Agreement to an Article, Section or Schedule is to the referenced Article, Section or Schedule of this Agreement. Any schedules attached hereto are an integral part of this Agreement with the same force and effect as if set forth in full in the text of the Agreement. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or joint venture between the parties. Except as otherwise specifically provided in this Agreement, neither party shall be authorized to act as an agent of or otherwise to represent the other party. This Agreement shall be construed in accordance with the laws of the State of California, without regard to principles of conflicts of laws. Each party hereto consents to the exclusive jurisdiction and venue of the courts of the State of California located in San Joaquin County, California, for the resolution of any dispute arising out of this Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof.

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

PROGRAMMER:

RESULTS RADIO OF THE NORTH STATE, LLC

By: 

Name: Jack W. Fentz II
Title: President

LICENSEE:

POINT BROADCASTING

By: _____

Name: _____
Title: _____

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

PROGRAMMER:

RESULTS RADIO OF THE NORTH STATE, LLC

By: _____
Name:
Title:

LICENSEE:

POINT BROADCASTING

By: Lori A. Moore
Name: LORI A. MOORE
Title: PRESIDENT