

LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement ("Agreement") is made as of July 30, 2001 by and between Community Broadcasting Services of Mississippi, Inc., a Mississippi corporation ("Licensee"), and Clear Channel Broadcasting, Inc. a Nevada corporation ("Programmer").

Recitals

A. Licensee owns and operates radio station WBIP-FM (the "Station") licensed by the Federal Communications Commission (the "FCC") to serve the community of Booneville, Mississippi, and desires to sell to Programmer airtime for the broadcast of programs produced by Programmer on that station.

B. 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.

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.

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 the date hereof and will continue until July 31, 2003, unless earlier terminated in accordance with the provisions set forth in Section 9 or Section 15.

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 the period from 8:00 p.m. to 12:00 midnight each Sunday evening (the "Broadcasting Period"). Programmer will transmit 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, 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. Programmer will be exclusively responsible for the sale of such 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 other stations owned or operated by Programmer, 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.

5. Payments for Broadcasting. For the broadcast of the Programs, Programmer will (i) reimburse expenses as set forth in Paragraph 13 hereof, and (ii) for every calendar month beginning

November 1, 2001 and continuing through the term, Programmer will pay to Licensee the sum of [REDACTED]-- per month, payable in arrears on or before the first calendar day of the following month. If the Term does not begin on the first of a month or does not end on the last of a month, the sum payable under this section shall be prorated for such a month.

6. Delivery of Programs. Licensee shall begin broadcasting the Programs in accordance with Section 3 above no later September 1, 2001.

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 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 the Programmer, (2) employ an engineer for the Station, who will report and be solely accountable to Licensee 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 16.4 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, including the right to preempt any programming it deems unsuitable or contrary to the public interest. 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 (or are) designed to address the problems, needs and interests of the community of license of the Station. If in any month Licensee preempts any Program(s) pursuant to 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 is violative of, 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 does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 12 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 ESA 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. Sections 73.1212 and 73.4242, 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. Either party to this Agreement may terminate this

Agreement if (a) the FCC's policies or rules change in a manner that would require such termination by providing the other party with ten (10) days' advance written; (b) the Asset Purchase Agreement of even date herewith by and between Programmer and Licensee terminates without a closing of the sale and the party desiring termination of this agreement was not in default thereunder.

11. Music Licenses. During the Term, Licensee will obtain and maintain (or, except in connection with the Station, contract with the Spottswoods to 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. All Music Licenses fees that are Licensee obligation shall be paid by Programmer.

12. Programs.

12.1 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 Booneville, Mississippi, 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.

12.2 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.

13. 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, (ii) the costs of delivering the Programs to Licensee. Programmer will use its own production facilities to create the Programs, which may include the facilities to be subleased from Licensee pursuant to Section 16.1. 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 (subject to the provisions of Section 16.4 below). Licensee will also pay for all utilities supplied to its 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 reimburse Licensee for certain of the above expenses of Licensee as provided on Exhibit A to this Agreement.

14. Call Signs. Licensee will retain any rights it has to the call letters WBIP-FM, or 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 in a form satisfactory to Licensee at the beginning of each hour of such Programs to identify the Station by 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 WBIP-FM or the Station 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.

15. Events of Default; Termination.

15.1 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.

15.2 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 to be performed by Licensee which is contained in this Agreement; or
- (b) Breach or violation by Licensee of any representation or warranty made by it

under this Agreement.

15.3 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.

15.4 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 15.3, 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, 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 unused portion of the Broadcasting Period.

15.5 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 rescind this Agreement and return the parties to the status quo ante, subject to the provisions of Section 16.5.

16. Lease of Studio/Office Space and Equipment.

16.1 Lease; Term. Commencing on the date hereof and continuing until the expiration of the Term, unless earlier terminated in accordance with Section 16.5 below, Licensee shall:

(a) lease that portion its office space located at 104 S. 2nd Street, Booneville, MS 38829 that is currently used by Licensee in the operation of the Station (the "Premises for Programmer's use in connection with the production of programming and sale of time on the Station; and

(b) lease all of the studio equipment and furniture now or hereafter contained in the Premises, provided, however, that Licensee shall have continued use and possession of a portion of the Premises, studio equipment, and furniture for maintenance of the Station's main studio and operation of the Station

16.2 Rent. Programmer's rent for the entire Premises is included in the fees set forth in Section 5 above.

16.3 Maintenance of Studio Equipment. During the term of the sublease under Section 16.1, Programmer shall, at its cost, repair and maintain the studio broadcast equipment now or hereafter contained in the Premises.

16.4 Termination of Sublease. The sublease provided for in Section 16.3 shall terminate upon the expiration of the Term.

17. 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;

18. Authority. Programmer and Licensee each 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 Mississippi. 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.

19. 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.

20. 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.

21. Construction. This Agreement will be construed in accordance with the laws of the

State of Texas without regard to principles of conflicts of laws.

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

23. 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:

Community Broadcasting Services of Mississippi, Inc.
P. O. Box 356
Booneville, MS 38829
Attention: Larry Melton, President
Facsimile No.: (662) 728-2572

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

Keenum & Tutor, P.A.
P.O. Box 418, Booneville, MS 38829
ATTN: James Michael Tutor.
Facsimile No.: 662-728-7747

To Programmer:

Clear Channel Broadcasting, Inc.
200 East Basse Road
San Antonio, Texas 78209
Attn: Phillip R. Hall

24. 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.

25. 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.

26. 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 15 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.

27. 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.

28. 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.

29. Successors and Assigns. Subject to the provisions of Sections 10 above, 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.

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.

COMMUNITY BROADCASTING
SERVICES OF MISSISSIPPI, INC.

By: Larry Melton - President
Name: LARRY MELTON
Title: PRESIDENT
July 30, 2001

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

28. 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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COMMUNITY BROADCASTING
SERVICES OF MISSISSIPPI, INC.

By: Larry Meltan - President
Name: Larry Meltan
Title: PRESIDENT
July 30, 2001

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

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COMMUNITY BROADCASTING
SERVICES OF MISSISSIPPI, INC.

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

By: Juliana F. Hill
Name: _____
Title: **Juliana Hill**
Senior Vice President - Finance

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COMMUNITY BROADCASTING
SERVICES OF MISSISSIPPI, INC.

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

By: Juliana J. Hill
Name: Juliana Hill
Title: Senior Vice President - Finance

SCHEDULE A

REGULATIONS AND RESTRICTIONS

Programmer will take care to observe and exercise reasonable diligence to comply with the following regulations and restrictions in the preparation, writing and broadcasting of the Programs:

- I. Respectful of Faiths. The subject of religion and references to particular faiths, tenets and customs will be treated with respect at all times.
- II. No Attacks. The Programs will not be used as a medium for attack on any race, ethnic group, gender, nationality, disability, faith, denomination or sect or upon any individual or organization.
- III. Controversial Issues. Any discussion of controversial issues of public importance will 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 will be made during the discussion of controversial issues of public importance; and, during the course of political campaigns, the Programs are not to be used as a forum for editorializing about individual candidates.
- 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, is prohibited. No commercial messages (“plugs”) or undue references shall be made in programming presented over the Station to any business venture, profit making activity or other interest (other than noncommercial announcements for bona fide charities, church activities or other public service activities) in which Programmer is directly or indirectly interested without the same having been approved in advance by the Station’s General Manager and such broadcast being announced, logged and sponsored.
- V. No Gambling. Any form of gambling on the Programs is prohibited.
- VI. Election Procedures. At least 90 days before the start of any election campaign, Programmer will clear with the Station’s General Manager the rate that Programmer will charge for the time to be sold to candidates for public office or their supporters to make certain that such rate conforms with applicable law and Station policy.
- VII. Required Announcements. Programmer will broadcast any announcements required by applicable law or station policy.
- VIII. Credit Terms Advertising. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms will be made over the Station beyond mention of the fact that, if desired, credit terms are available.

- IX. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game will be made over the Station. Any game, contest or promotion relating to, or to be presented over, the Station must be fully stated and explained in advance to Licensee, which reserves the right, in its discretion to reject any game, contest or promotion.
- X. Licensee Discretion Paramount. In accordance with the Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which, in Licensee's judgment, would not serve the public interest.
- XI. Programming Prohibitions. Programmer will not knowingly broadcast any of the following programs or announcements:
- A. False Claims. False, deceptive 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. Profanity and Foul Language. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

Licensee may waive any of the foregoing regulations and restrictions in specific instances if, in its opinion, good broadcasting in the public interest is served thereby.