

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this "Agreement") is made as of May 25, 2004 between the companies 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 stations (the "Stations") pursuant to licenses issued by the Federal Communications Commission ("FCC"):

KPAY(AM), Chico, CA
KMXI(FM), Chico, CA
KEWE(AM), Oroville, CA
KHHZ(FM), Oroville, CA
KHSL-FM, Paradise, California

B. Licensee desires to obtain programming for the Stations, and Programmer desires to provide programming for broadcast on the Stations on the terms set forth in this Agreement.

C. Licensee (and certain of its affiliates, as Seller) and Programmer (as Buyer) are parties to an Asset Purchase Agreement (the "Purchase Agreement") with respect to the Stations.

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 July 1, 2004 (the "Commencement Date") and will continue until the date eighteen (18) months 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 Stations 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 Stations 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 Stations' transmitting facilities or transmit, at its own cost, its Programs to the Stations' 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 Stations' broadcasts prior to commencement of the Term. Notwithstanding anything herein to the contrary, the Stations shall continue to broadcast any programming required to be aired under the terms of the Station Contracts (as defined in the Purchase Agreement) existing on the date of this Agreement.

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. To the extent reasonably necessary to perform this Agreement, 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 Stations and for the collection of accounts receivable (in accordance with Section 10.7 of the Purchase Agreement) arising therefrom, and Programmer shall be entitled to all such collections. All contracts for advertising on the Stations 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.

6. Control. Notwithstanding anything to the contrary in this Agreement, Licensee has full authority, power and control over the operation of the Stations during the Term. Without limiting the generality of the foregoing, Licensee will: (1) employ a manager for the Stations, who will report to Licensee and will direct the day-to-day operations of the Stations, and who shall have no employment, consulting, or other relationship with Programmer, (2) employ an engineer (or other employee) for the Stations, who will report and be solely accountable to the manager, and who shall have no employment, consulting, or other relationship with Programmer, and (3) retain control over the policies, programming and operations of the Stations. 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 Stations. 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.

7. Music Licenses. During the Term, Licensee will obtain and maintain its current music licenses ("Music Licenses") with respect to the Stations. 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 shall conform to all FCC rules, regulations and policies. 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 Stations' 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.

10. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Stations or any other call letters which may be assigned by the FCC for use by the Stations, 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 shall maintain the operating power of the Stations and shall repair and maintain the Stations' 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 Stations (for purposes of providing the Programs) as is reasonably necessary for Programmer to perform this Agreement. When on Licensee's premises, 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 access to and the use of Programmer's studio and transmission facilities located in the Stations' market as are 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. Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization and is qualified to do business in all jurisdictions where the nature of its business requires such qualification, (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

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 an Event of 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) The occurrence of the following will be deemed an Event of 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) Notwithstanding the foregoing, any non-monetary 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 of Default and such Event of Default remains uncured. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to this Section if applicable, 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, 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*, 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 10.7 of the Purchase Agreement. Failure of Licensee to broadcast the Programs due to facility maintenance, repair or modification or due to any reason out of Licensee's reasonable control shall not constitute an Event of Default by Licensee hereunder.

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 Stations or (b) 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 Stations or (ii) 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. Licensee will not unreasonably withhold consent to an assignment by Programmer to a permitted assignee of the Purchase Agreement, but 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 Stations are maintained and continued and the value of the Stations 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, delivered by overnight air courier, or transmitted by facsimile transmission and shall be deemed to have been duly delivered and received on the date of personal delivery, 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 if sent by an overnight delivery service for next morning delivery, and on the same day if transmitted by facsimile during normal business hours (or the next day if transmitted by facsimile after normal business hours), addressed as follows:

If to Programmer: Deer Creek Broadcasting, LLC

2225 First Avenue
Napa, CA 94558
Attention: Jack McSorley
Facsimile: (707) 226-2807

with copies (which shall
not constitute notice) to:

Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, NW
Washington, D.C. 20037
Attention: Lewis J. Paper
Facsimile: (202) 887-0689

and

Media Venture Partners, Ltd.
Two Jackson St., Suite 100
San Francisco, CA 94111-2022
Attention: Elliot B. Evers
Facsimile: (415) 391-4912

If to Licensee:

Clear Channel Broadcasting, Inc.
200 East Basse Road
San Antonio, TX 78209
Attention: President
Facsimile No.: (210) 822-2299
Attention: General Counsel
Facsimile No.: (210) 832-3428

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

Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, DC 20006
Attention: Doc Bodensteiner
Facsimile No.: (202) 719-7049

21. 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 are for convenience only and will not control or affect the meaning or construction of the provisions 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 Texas, without regard to principles of conflicts of laws. This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof, and there are no other agreements, representations, or understanding, oral or written, between them with respect thereto. Licensee certifies that it maintains ultimate control over the Stations' facilities including, specifically, control over the Stations' finances, personnel and programming. Programmer certifies that this Agreement complies with the provisions of 47 C.F.R. Sections 73.3555(a) and (c).

[SIGNATURE PAGE FOLLOWS]

12208396

SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

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

PROGRAMMER:

DEER CREEK BROADCASTING, LLC

By: 

Name: John W. Sorenson

Title: managing member

LICENSEE:

CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: _____

Name:

Title:

CAPSTAR TX LIMITED PARTNERSHIP

By: CAPSTAR RADIO OPERATING COMPANY,
its General Partner

By: _____

Name:

Title:

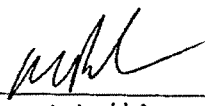
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PROGRAMMER: DEER CREEK BROADCASTING, LLC


By: _____
Name:
Title:

LICENSEE: CLEAR CHANNEL BROADCASTING LICENSES, INC.

By:  _____
Name: William P. Suffa
Title: Senior VP Capital Management

CAPSTAR TX LIMITED PARTNERSHIP

By: CAPSTAR RADIO OPERATING COMPANY,
its General Partner

By:  _____
Name: William P. Suffa
Title: Senior VP Capital Management