

TIME BROKERAGE AGREEMENT

This Time Brokerage Agreement (the "Agreement") is entered into as of the 1st day of June, 2001, by and among Zavaletta Broadcasting Group, L.L.C., a limited liability company organized under the laws of the State of Texas ("Licensee") and Paulino Bernal and Paulino Bernal Evangelism, Inc., a corporation organized under laws of the State of Texas (here and after jointly referred to as "Programmer").

RECITALS

This Time Brokerage Agreement constitutes the written license agreement between Licensee Zavaletta Broadcasting Group, L.L.C., a limited liability company organized under the laws of the State of Texas, and Programmer, Paulino Bernal and Paulino Bernal Evangelism, Inc., a corporation organized under the laws of the State of Texas. This Time Brokerage Agreement shall operate as a license to permit access and egress to certain of the real property and furniture, fixtures and equipment utilized in the operation of Channel 20 in Brownsville, Cameron County, Texas, Channel 25 in Laredo, Webb County, Texas, Channel 35 in McAllen, Hidalgo County, Texas (each a "Station" and collectively the "Stations").

Licensee will have available broadcasting time on the Stations and will be engaged in the business of television broadcasting on the Stations. Programmer desires to avail itself of the broadcast time of the Station for the presentation of a programming service in accordance with procedures and policies approved by the Federal Communications Commission (FCC).

For and in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Sale of Time

1.1 Broadcast of Programming. During the Term, as defined below, Licensee shall make available broadcast time on the Station for the broadcast of Programmer's programs (the "Programming") for up to One Hundred Sixty-Eight (168) hours per week except for:

- a. Downtime occasioned by routine maintenance consistent with prior practice;
- b. Up to three hours per week per Station at a time mutually agreeable to Licensee and programmer during which time Licensee may broadcast programming designed to address the concerns, needs and issues of the Station's listeners ("Licensee's Public Service Programming");
- c. Force Majeure Events, as defined in Section 1.5 of this Agreement, (collectively, the "TBA Hours").

1.2 Term. The term of this Agreement (the "Term") shall be for the period commencing as of June 1, 2001 ("Effective date") and terminating upon the earliest of:

- a. August 1, 2001
- b. Pursuant to Section 7 hereof.

This term of the Time Brokerage Agreement may be extended with the terms of the Sales Agreement.

exclusive use of the aforementioned station(s). Except as to actions taken in accordance with Licensee's rights under Section 2.3.1 of this Agreement or as to Programming that does not meet the requirements of Section 2.4.1 hereof, in the event that, during the TBA Hours, Licensee preempts, deletes, delays, suspends, cancels or fails to broadcast any of the Programming, Programmer shall receive a credit equal to the pro rata portion of the fees paid for the broadcast for the month in which such preemption, deletion, delay, suspension, cancellation or failure to broadcast occurs. Any such credit shall be applied to the fee due immediately following the calendar month during which such interruption, deletion, delay, suspension, cancellation or failure to broadcast occurred.

1.4 **Advertising and Programming Revenues.** During the Programming it delivers to the Station, Programmer shall have full authority to sell for its own account commercial time during the Programming subject to the requirements of this Agreement and to collect all revenues and all accounts receivable arising from or relating to the Programming, including, without limitation, promotion-related revenues. Programmer may sell such advertising in combination with the sale of advertising on any other broadcasting stations of its choosing. Licensee may sell, or permit others to sell, advertising on the Station only during Licensee's Public Service Programming.

1.5 **Force Majeure Events.** Any failure or impairment of facilities or any delay or interruption in broadcasting the Programming not directly or indirectly the fault of Licensee or its employees or agents, or failure at any time to furnish the facilities, in whole or in part, for broadcasting, due to acts of God, force majeure or other similar causes beyond the control of Licensee (collectively, "Force Majeure Events"), shall not constitute a breach of this Agreement.

2. **PROGRAMMING AND OPERATING STANDARDS**

2.1 **Nature of the Programming.** The Programming will include news, inspirational, educational and public service programming. Licensee acknowledges that Programmer has provided a description of the nature of the Programming to be produced by Programmer, and Licensee has determined that the broadcasting of the Programming on the Station will serve the public interest. Programmer may make subsequent material changes in the format of the Programming with the prior consent of Licensee, which shall not be unreasonably withheld.

2.2 **Right to Use the Programming.** The right to use the Programming produced by Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times vested solely in Programmer except as authorized by this Agreement.

2.3 **Obligations and Rights of Licensee.** Licensee shall be ultimately responsible for the control of the day-to-day operations for the Station and for complying with the FCC's rules, regulations and policies (the "Rules") with respect to:

- a. The carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to equal opportunities, lowest unit charge and reasonable access).
- b. The broadcast and nature of public service programming;
- c. The maintenance of political and public inspection files and the Station's logs;

- d. The ascertainment of issues of community concern; and
- e. The preparation of all quarterly issues/programs lists. Licensee expressly agrees that its right to reject or preempt any of the Programming shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee. Licensee further agrees to provide, within ten (10) days of the Effective date, a complete list of all advertising, utility and vendor agreements then in effect.

2.3.1 Licensee's Right to Reject Programming. Licensee shall retain the right to accept or reject any Programming or advertising announcements or material which Licensee in its reasonable, good faith judgment deems contrary to the Communications Act of 1934, as amended (the "Act"), and the FCC's rules and policies promulgated thereunder (collectively, the "FCC" law). Licensee reserves the right to refuse to broadcast any programming, that Licensee reasonably and in good faith believes may be determined by the FCC or any court or other regulatory body to be, in violation of any right of any third party, a "personal attack" (as that term is defined by the FCC) or indecent or obscene. Licensee may take any other actions necessary to ensure the Station's operation complies with the laws of the United States, the laws of the State of Texas, FCC Law (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other federal government authorities, including the Federal Trade Commission and the Department of Justice. If, in the reasonable, good faith judgment of Licensee or the General Manager of the Station, any portion of the Programming presented by Programmer does not meet the requirements of this Agreement, Licensee may suspend, cancel or refuse to broadcast any such portion of the Programming. Any refusal to broadcast or cancellation of Programming under this Section will not require a reduction or an offset in the payments due Licensee under this Agreement.

2.3.2 Licensee's Right to Preempt Programming for Special Events. Licensee shall also have the right, in its reasonable, good faith judgment, to preempt any of the broadcasts of the programming in order to broadcast a program deemed by Licensee to be of greater or national or local public importance and Licensee shall endeavor to provide Programmer with advance notice of its intention to preempt any regularly scheduled Programming and, in such event, Programmer shall receive a payment credit for the Programming.

2.3.3 Maintenance and Repair of Transmission Facilities. Subject to the reimbursement provisions of Schedule I.1, Licensee shall maintain the Station's transmission equipment and facilities, including the antennas, transmitters, and transmission line, and shall provide for the delivery of electrical power to the Station's transmitting facilities at all times in order to permit operation of the Station. Licensee shall undertake such repairs as are necessary to maintain full-time operation of the Station with their maximum authorized facilities as expeditiously as possible following the occurrence of any loss or damage preventing such operation. In the event that the main antenna of either Station is inoperative, Licensee shall, to the extent such facilities are available, broadcast the programming by operation of an emergency or auxiliary antenna until the main antenna is returned to service.

2.3.4 Main Studio. Licensee shall maintain and staff the main studio for the Station (the "Main Studio") in the manner required under the FCC law.

2.3.5 Compliance with FCC Technical Rules. Licensee shall retain a qualified Chief Operator for the Station who shall be responsible for maintaining the transmission facilities of the Station and who shall be responsible for ensuring compliance by the Station with the technical operating and reporting requirements of the FCC.

2.4 Obligations and Rights of Programmer

2.4.1 Compliance with Laws and Station Policies. All programming shall conform in all material respects to all applicable provisions of the FCC law, all other laws or regulations applicable to the broadcast of programming by the Station, and the standards set forth in Section 2.4.1. At no time during the Term shall Programmer or its employees or agents represent, hold out, describe or portray Programmer as the licensee of the Station. Programmer shall broadcast a minimum of 18 hours per day of Programming and a minimum of 3 hours per week of such programming shall be locally produced.

2.4.2 License to Use Call Sign and Trademarks. During the Term, except as otherwise provided in this Agreement, Licensee grants Programmer a non-exclusive right to use each Station's call sign in connection with and during the Programming. Programmer agrees to cooperate with Licensee to control the nature and quality of use of the call sign, to supply Licensee with videotapes of uses and the call sign upon Licensee's reasonable request. Programmer further agrees to notify Licensee in writing of any legal action commenced against it that relates to the call sign or to the quality of the Programming, within 2 days of notice to Programmer of such action.

2.4.3 Cooperation with Licensee. Programmer, on behalf of Licensee, shall furnish during the Programming all Station identification announcements required by the FCC and shall, upon request by Licensee, provide:

- a. Information with respect to any of the Programming which is responsive to the public needs and interests of the areas served by the Station so as to assist Licensee in the preparation of any required programming reports, and
- b. Other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall maintain and deliver to Licensee all records and information required by the FCC to be placed in the public inspection files of the Station pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 or other FCC law, and agrees to broadcast sponsorship identification announcements for any programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Section 73.1212 of the Rules. Programmer shall consult with Licensee as provided in Section 2.4.1 and adhere strictly to all applicable provisions of the FCC law, as announced from time to time, with respect to the carriage of political advertisements and political programming (including, without limitation, the rights of candidates and, as appropriate, other parties, to "equal opportunities") and the charges permitted for such programming

or announcements. In addition Programmer shall cooperate reasonably with Licensee to run commercial announcements pursuant to obligations of Licensee with respect to trade or barter agreements relating to the Station outstanding as of the Effective Date.

2.4.4 Payola and Plugola. Programmer shall provide to Licensee in advance any information known to Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by Programmer for broadcast of the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with the FCC. Commercial matter with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. Programmer shall at all times endeavor in good faith to comply with the requirements of Sections 317 and 507 of the Act. Programmer agrees to annually, or more frequently at the request of the Licensee, execute and provide Licensee with a Payola affidavit from each of its employees at each of the Stations in form and substance satisfactory to Licensee.

2.4.5 Handling of Communications. Programmer shall provide Licensee with the original or a copy of any correspondence from a member of the public relating to the Programming to enable Licensee to comply with the requirements of FCC law, including those regarding maintenance of the public inspection file. Licensee shall not be required to respond to or act upon mail, cables, telegraph or telephone calls in connection with the Programming unless Licensee has agreed to do so in writing. Licensee shall promptly forward to Programmer all correspondence, payments, communications or other information and/or documents which it receives and which relate to the Programming, including, without limitation, invoices, billing inquiries, checks, money orders, wire transfers, or other payments for services or advertising.

2.4.6 Use of Licensee's Main Studio. Programmer may use any of the facilities at the Station's Main Studio and any equipment of Licensee during the term of this Agreement, provided that Programmer shall have full responsibility for the care and maintenance of such facilities and equipment so utilized. No material item of Licensee's equipment or property shall be removed from the Main Studio or other present location of such property without the prior written permission of Licensee. Any physical additions or improvements made by Programmer to the Main Studio or any other property of the Licensee shall become the property of Licensee. Programmer agrees to accept use of studio in its current "as is" condition, as of date of execution of this Agreement. The costs for any additional equipment (except replacement equipment necessitated by breakage) shall be the responsibility of Programmer. When Programmer originates the Programming from any place other than the Station's Main Studio, Programmer shall be solely responsible for delivering the Programming to the Station's transmitter site for broadcast on the station.

3. RESPONSIBILITY FOR EMPLOYEES AND EXPENSES

3.1 Licensee's Responsibility for Employees and Expenses. Licensee will employ at least two persons at the Main Studio of each of the Stations: a full-time Chief Operator, provided however that Brownsville and McAllen are one station, for this purpose and

share one main studio, who shall report solely accountable to Licensee and shall direct the day-to-day operations of the station, and a staff-level employee who shall report to and assist the General Manager in the performance of his or her duties. Subject to the reimbursement provisions of Schedule 1.1, Licensee will be responsible for the salaries, taxes, benefits, insurance and related costs for these employees. Whenever at the Main Studio or otherwise on the premises of the Station, Programmer's personnel shall be subject to the supervision and the direction of Licensee's General Manager and/or Licensee's Chief Operator, as designated by Licensee. Licensee shall be responsible for the timely payment of the following expenses:

- a. License and/or mortgage payments for the Main Studio and transmitter sites and all taxes and other costs incident thereto;
- b. All FCC regulatory fees;
- c. Real estate and personal property taxes;
- d. Utility costs (telephone, electricity, etc.) relating to the existing transmitting sites, transmitters and antennas;
- e. Licensee's expenses under ASCAP, SESAC and BMI licenses, as required by such organization;
- f. Maintenance and repair costs on the transmitting equipment to the extent repaired pursuant to Section 2.3.3 of this Agreement; and
- g. All other reasonable and necessary payments related to the continued operation of the Station incurred by Licensee consistent with past practices that are not paid directly by Programmer.

3.2 Programmer's Responsibility for Employees and Expenses.

Programmer shall be responsible for the artistic personnel and material for the production of the Programming to be provided under this Agreement. Programmer shall employ and be responsible for the salaries, taxes, insurance and related costs for all of its personnel used in fulfillment of its rights and obligations under this Agreement. Programmer shall pay for all costs associated with production of the Programming and listener responses, including telephone costs, fees to ASCAP, BMI and SESAC, any other copyright fees, and all other costs or expenses attributable to the Programming that is delivered by Programmer for broadcast on the Station. Programmer shall also pay all maintenance and repair costs for the studio and studio equipment used by Programmer in the production of the Programming.

3.3 No Third Party Beneficiary Rights. No provisions of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Licensee in respect of continued employment (or resumed employment) with Licensee or with Programmer or in respect of any other matter.

4. ASSIGNMENT AND ASSUMPTION OF CERTAIN AGREEMENTS, RIGHT AND OBLIGATIONS

4.1 Assumption of Obligations. As of the Effective Date, Licensee shall assign to Programmer and Programmer shall assume all rights and obligations arising or accruing after the Effective Date under all those contracts and agreements listed in Schedule 2.1 hereto. If Licensee is unable to obtain any necessary consent for the assignment of any contract or agreement to be assigned hereunder as of the Effective Date, to the extent permitted by law, Programmer and Licensee shall cooperate so as to make the benefits and obligations of any such contract or agreement available to Programmer in its operation of the station.

5. INDEMNIFICATION

5.1 Indemnification. From and after the Effective Date, Programmer shall indemnify, defend, protect and hold harmless Licensee and Licensee's officers, directors, partners, members, managers, agents and affiliates from and against all claims arising from the Programmer's use and operation of the Station. Without limitation of the generality of the preceding sentence, Programmer will indemnify, defend, protect and hold harmless from and against liability with respect to matter arising from or relating to the programming produced or supplied by Programmer, in conjunction with the operation of the Station, including liability from libel, slander, infringement of copyright or other intellectual property, violation of rights of privacy or proprietary rights, and for any claims of any nature, including fines imposed by the FCC, as a result of the broadcast of any Station of any of programming produced or supplied by Programmer, including, without limitation, any programming which the FCC determines was in violation of any FCC rule, regulation or policy relating to lotteries or games of chance, obscenity or indecency, broadcast hoaxes, "personal attacks" or the adequacy of sponsorship identification.

5.2 Survival of Representations, Warranties and Covenants. The representation, warranties, covenants, indemnities and agreements contained in this Agreement are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and agreements and shall survive any termination or expiration of this Agreement for a period of sixty days after such termination or expiration. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given prior to such expiration, except as would otherwise be permitted. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained in the Agreement.

6.0 EVENTS OF DEFAULT AND CURE PERIODS

6.1 Events of Default. The following shall, after the expiration of the applicable cure periods as set forth in Section 6.2 constitute an Event of Default under this Agreement:

6.1.1 Non-Payment. Programmer's failure to pay when due, the fees payable under Section 1.3 of this Agreement.

6.1.2 Abandonment. Programmer's abandonment of a substantial portion of the Station's real or personal property.

6.1.3 Breach. Licensee's failure to comply with any provision of this agreement.

6.1.4 Failure to Provide Essential Services. Licensee's failure to provide any services to Programmer essential to the operation of the Station.

6.2 Cure Periods. An Event of Default shall not be deemed to have occurred pursuant to this Section until 10 days, in the case of an Event of Default under

Sections 6.1.1 or 6.1.2 herein, or until 30 days in the case of an Event of Default under Sections 6.1.3 or 6.1.4 herein, after the non-defaulting party has been provided with written notice specifying the event or events that, if not cured, would constitute an Event of Default and specifying the actions necessary to cure the default(s) within such period. The period may be extended for a reasonable period of time by mutual written agreement executed by the parties hereto.

7.1 **Termination Upon Programmer's Default.** Upon the occurrence of an Event of Default pursuant to Section 6.1.1 or 6.1.2 herein, Licensee may: (a) enter and retake possession of all real and personal property subject to this Agreement, and thereafter enter into a new Time Brokerage Agreement with a third party, with Programmer to pay any expenses associated with the negotiation and implementation of such new Time Brokerage Agreement; (b) enter and retake possession of all real and personal property subject to this Agreement, and thereafter perform all of Programmer's obligations under this Agreement; and (c) terminate this Agreement and sue for damages.

7.2 **Termination Upon Licensee's Default.** Upon the occurrence of an Event of Default pursuant to Section 6.1.3 or 6.1.4 herein, Programmer may: (a) sue for damages; and (b) if Licensee does not cure the Event of Default within thirty days, terminate this Agreement.

7.3 **Termination for Change in Governmental Rules of Policies.** The parties believe that the terms of this Agreement meet all of the requirements of current federal governmental policies for agreements of this nature, and agree that they shall negotiate in good faith to meet any governmental concern with respect to his Agreement if they have incorrectly interpreted current governmental policy or if that policy is modified. If the parties cannot agree within a reasonable time for modification(s) deemed necessary by the Licensee to meet applicable governmental requirements, the Licensee may terminate this Agreement upon written notice to the programmer.

7.4 **Certain Matters Upon Termination.** If this Agreement is terminated for any reason, Licensee shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities, and Programmer shall have no further obligations to make payments to Licensee under Section 1.3 attributable to any period after the effective date of termination. Programmer shall be solely responsible for all of its liabilities, debts and obligations to third parties incident to Programmer's purchase of broadcast time under this Agreement, including, without limitation, accounts payable, barter agreements, and unaided advertisements, but not for Licensee's federal, state, and local tax liabilities associated with Programmer's payments under Schedule 1.3. So long as this Agreement is not terminated as a result of a breach by Programmer, Licensee agrees that it will cooperate reasonably with Programmer to discharge in exchange for reasonable compensation any remaining obligations of Programmer in the form of air time following the effective date of termination.

7.4.1 Upon termination of this Agreement for any reason other than the occurrence of a closing under a Purchase "Agreement". Programmer shall return to Licensee any equipment or property of the Station used by Programmer, its employees or agents, in substantially the same condition as such equipment existed on the Effective Date, ordinary wear and tear excepted.

7.4 **Liability for Prior Conduct.** No expiration or termination of this Agreement shall terminate the obligation of Programmer to indemnify Licensee for claims of third parties under Section 5 of this Agreement or otherwise limit or impair either party's rights to receive or make payments due and owing in accordance with this Agreement on or before the date of such termination.

7.5 **Attorneys' Fees and Costs.** In the event any action or proceeding is commenced by either party to enforce the provisions of this Agreement or to seek remedies for a breach or wrongful termination of this Agreement, the prevailing party in such an action or proceeding shall be entitled to the award of its reasonable attorneys fees and costs incurred in and relating to such an action or proceeding.

8. **REPRESENTATIONS AND WARRANTIES**

8.1 **Representations and Warranties of Licensee.** Licensee hereby represents and warrants that:

8.1.1 **Organization and Standing.** Licensee is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Texas and has all necessary power and authority to own, license and operate the assets and to carry on the business of the Station.

8.1.2 **Authorization and Binding Obligation.** Licensee has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and Licensee's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary actions on its part. This Agreement has been duly executed and delivered by Licensee and constitutes its valid and binding obligation enforceable against Licensee in accordance with its terms.

8.1.3 **Absence of Conflicting Agreements or Required Consents.** The Execution, delivery and performance of this Agreement by Licensee (a) do not and will not violate any provision of Licensee's organizational documents; (b) do not and will not require the consent or approval of or any filing with any third party or governmental authority, except such filing.

As is required by the FCC:

- (a) Do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and
- (b) Do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict which constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, license, instrument, or permit to which Licensee is now subject.

8.1.4 **Authorization and Binding Obligation.** Programmer has the capacity to enter into and perform this Agreement and the transactions contemplated hereby.

This Agreement has been duly executed and delivered by Programmer and constitutes its valid and binding obligation enforceable against Programmer in accordance with its terms.

8.1.5 Absence of Conflicting Agreements or Required Consents.

The execution, delivery and performance of this Agreement by Programmer:

- (a) Do not and will not require the consent or approval of or any filing with any third party or governmental authority, except such filing as is required by the FCC;
- (b) Do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and
- (c) Do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, license, instrument, license or permit to which Programmer is now subject.

9. CERTIFICATIONS.

9.1 **Programmer's Certification.** Programmer hereby certifies that this Agreement complies with the provisions of Sections 73.3555(a) of the Rules.

9.2 **Licensee's Certification.** Licensee hereby certifies that it shall maintain the ultimate control over the Station's Facilities, including, without limitation, control over the finances with respect to the operation of the Station, over its personnel operating the station, and over the programming to be broadcast by the Station.

10. MISCELLANEOUS.

10.1 **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose of which such consent was given.

10.2 **No Waiver; Remedies Cumulative.** No failure or delay on the part of Licensee or Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies, which either may otherwise have.

10.3 **Governing Law.** The construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its principles of conflicts of law.

10.4 **No Partnership or Joint Venture.** This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. Except as otherwise specifically provided in this Agreement, no party to this Agreement shall be authorized to act as agent of or otherwise represent any other party to this Agreement.

10.5 **Benefit and Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Programmer or Licensee may assign its rights under this Agreement without the prior written consent of the other parties hereto, except that Licensee may assign its rights under this Agreement to an entity under common control without the consent of Programmer.

10.6 **Headings.** 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.

10.7 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

10.8 **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request.

If to Licensee:
Zavaletta Broadcasting Group, L.L.C.
45 Calle Cenizo
Brownsville, Texas 78520
(956) 546-9818

If to Programmer:
Paulino Bernal
P.O. Box 252
McAllen, Texas 78505
(956) 686-6382

Any such notice, demand or request shall be deemed to have been duly delivered and received:

- a. on the date of personal delivery, or
- b. on the date of transmission, if sent by facsimile (but only if a hard copy is also sent by overnight courier), or
- c. on the date of receipt, if mailed by certified mail, postage prepaid and return receipt requested, or
- d. on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

10.9 **Severability.** In the event that any of the provisions of this Agreement shall be held unenforceable, the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable, in any jurisdiction, shall as to such jurisdiction, be ineffective to the extent of

10.9 Severability. In the event that any of the provisions of this Agreement shall be held unenforceable, the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable, in any jurisdiction, shall as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

11. DISPUTE RESOLUTION. Licensee and Programmer hereby agree that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Any litigation before courts in any jurisdiction initiated by either Licensee or Programmer shall be stayed and abated in order to have said disputes submitted to arbitration as administered by the American Arbitration Association.

IN WITNESS WHEREOF, the parties have executed this Time Brokerage Agreement as of the date first above written.

Licensee

Zavallota Broadcasting Group, L.L.C.

By: 

Dr. Joseph Xavaletta, MD,
Manager

Programmer:

Paulino Bernal Evangelism, Inc.

By: 

Paulino Bernal
President

By: 

Paulino Bernal

Schedule 1.1
Reimbursement Provisions

Programmer shall reimburse Zavaletta Broadcasting Group, L.L.C., as allowed by the FCC rules, for the following expense(s), in addition to the monthly set amount in Section 1.3:

Programmer will reimburse Zavaletta Broadcasting Group, L.L.C. for at least two persons at the Main Studio of each of the Stations: a full-time General Manager (who may or may not also be the designated Chief Operator), provided however that Brownsville and McAllen are one station, who shall report solely accountable to Licensee and shall direct the day-to-day operations of the station, and a staff-level employee who shall report to and assist the General Manager in the performance of his or her duties. Programmer shall reimburse Licensee for the salaries, taxes, benefits, insurance and related costs for these employees. Programmer shall reimburse Licensee for the following expenses:

- a. Lease and/or mortgage payments for the Main Studio and transmitter sites and all taxes and other costs incident thereto;
- b. All FCC regulatory fees;
- c. Real estate and personal property taxes;
- d. Utility costs (telephone, electricity, etc.) relating to the existing transmitting sites, transmitters and antennas;
- e. Licensee's expenses under ASCAP, SESAC and BMI licenses, as required by such organization;
- f. Maintenance and repair costs on the transmitting equipment to the extent repaired pursuant to Section 2.3.3 of this Agreement; and
- g. All other reasonable and necessary payments related to the continued operation of the Station incurred by Licensee consistent with past practices that are not paid directly by Programmer.

Licensee will send invoice on a monthly basis with supporting documentation and reimbursement will occur 10 days upon receipt of documentation.

Schedule 2.1
LIST OF ALL ADVERTISING, UTILITY AND VENDOR AGREEMENTS IN EFFECT