

September 14, 2009

John Proffitt
General Manager & Chief Executive Officer
KUHF (FM)
Melcher Center for Public Broadcasting
University of Houston
4343 Elgin, Third Floor
Houston, Texas 77204-0887

CONFIDENTIAL / VIA EMAIL

Dear John:

Public Radio Capital (PRC) is pleased to provide brokerage advisory and other consulting services to KUHF and the University of Houston System ("Licensee") associated with the Licensee's proposed acquisition of FM license KTRU (the "Station").

Under this brokerage services agreement (the "Agreement"), PRC will develop a planning and internal organization process designed to prepare KUHF and its licensee for a station acquisition strategy. The scope of the services (the "Services") that will be provided by PRC will include:

1. Work with KUHF to develop the background information and data necessary to present written and verbal offers, including a Letter of Intent to acquire the Station;
2. Participate in, and represent KUHF in the brokerage/negotiation process and in the development and negotiation of a asset purchase agreement with the Station licensee;
3. Negotiate a short-term operating agreement whereby KUHF assumes the operation of the Station upon executing the asset purchase agreement;
4. Assist in the due diligence and development of other agreements and documents needed to complete the transaction;
5. Coordinate the communications and public relations strategy, including the development of an FAQ for the KUHF website, preparation of a press release, identification of local and national press contacts, and drafting of internal and external talking points.

Further, PRC will work with the Licensee's attorneys to provide assistance, as needed, with the filing of FCC applications following the signing of any asset purchase agreement, and will identify, respond to and resolve any other issues or questions that arise prior to the closing of any acquisition of the Station by the Licensee.

As directed by KUHF, PRC will work closely with the board, Licensee and key management staff and other KUHF advisors or attorneys throughout the negotiations with the Station. PRC will coordinate this work with other brokers and advisors working with the licensee of the Station.

Confidentiality

This Agreement is subject to the Confidentiality Agreement dated June 12, 2009, a copy of which is attached as Exhibit A.

Ownership of Work Product

All work product, including any software, research, reports, studies, data, photographs, negatives or other documents, drawings or materials prepared by PRC in the performance of its obligations under this Contract shall be the exclusive property of University. PRC may keep copies for its personal files.

Term and Fees

The term ("Term") of this Agreement shall commence as of the date of execution and shall expire twenty-four (24) months thereafter. During the Term, the Licensee or PRC may terminate this Agreement at any time by providing 30 days written notice; provided, however, that in the event the Licensee acquires the Station within twenty-four months of such notice of termination or within twenty-four months of the expiration of this Agreement, the full Brokerage Fee (defined below) shall become immediately due and payable, and shall be paid to PRC no later than the closing of the transaction to purchase the Station.

During the Term, PRC and the Licensee will each use commercially reasonable efforts to negotiate and enter into a letter of intent and purchase agreement with the seller of the Station. In the event either party does not use such efforts, the other party, provided it is not then in material breach of its duties under this Agreement, shall have the right to terminate this Agreement by providing written notice to the first party.

The PRC brokerage fee ("Brokerage Fee") is described below. Any incidental expenses, including travel costs required to perform these services, will be paid in addition to the fees listed below. All incidental expenses and travel costs will be approved by KUHF in advance of PRC incurring these costs.

KUHF shall pay to PRC a brokerage fee (the "Brokerage Fee") equal to Two Hundred Thousand Dollars (\$200,000) in the event the Licensee acquires the Station. The Brokerage Fee has been discounted from PRC's standard brokerage fee, which is generally equal to three percent of the station acquisition price. The anticipated purchase

price of the Station is Ten Million Dollars, so the PRC Brokerage Fee in this instance was discounted to 2%.

In the unlikely event that KUHF, instead of acquiring the Station, enters into an operating agreement with the Station's licensee, whereby KUHF assumes control of the Station's programming and business affairs over an extended period of time, then the Brokerage Fee due to PRC shall be Two Hundred Thousand Dollars (\$200,000).

The Brokerage Fee shall be paid as follows:

KUHF shall pay PRC Five Thousand Dollars (\$5,000) within ten days of KUHF and the Station's licensee executing a letter of intent to acquire the Station.

KUHF shall pay PRC Five Thousand Dollars (\$5,000) within ten days of KUHF and the Station's licensee executing an asset purchase agreement.

The balance of the Brokerage Fee, One Hundred Eighty Thousand Dollars (\$180,000)¹, shall be due and payable on the closing date of the acquisition.

If the Licensee does not close on the proposed acquisition of the Station after the execution of an asset purchase agreement because of a default on the part of the seller of the Station or the failure of a condition precedent to closing the transaction, then any final amounts due as part of the total PRC Brokerage Fee will not be payable to PRC, and the only fees will be those then owed to PRC as provided herein, plus any reimbursement of authorized incidental and travel expenses.

Notwithstanding anything contained herein to the contrary, if after the Licensee executes an asset purchase agreement for the acquisition of the Station and the Licensee defaults or withdraws from the proposed acquisition for a reason other than default on the part of the seller of the Station or the failure of a condition precedent, then the full PRC Brokerage Fee plus authorized incidental and travel expenses will become due and payable within fifteen (15) days following the default or withdrawal by the Licensee.

PRC agrees to indemnify and hold harmless the Licensee from any claim, damage, liability, injury, expense, or loss arising out of its performance under this Agreement.

This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. The parties hereto may sign facsimile or scanned copies of this Agreement which shall each be deemed originals.

All clauses and covenants contained in this Agreement are severable and in the event any of them is held to be invalid by any court, this Agreement shall be interpreted as if such invalid clauses and covenants were not contained herein.

¹ The balance of the Brokerage Fee recognizes the \$10,000 previously paid to PRC in consideration for preparing the business model.

This Agreement shall be binding upon, and inure to the benefit of the University of Houston System, its components, operating units, officers, employees, affiliates, assigns and related entities, and the subsidiaries, operating units, officers, employees, affiliates, successors, and assigns of PRC.

*****Signature Page Follows*****

If this fee and payment schedule is acceptable to you, please fax or pdf a signed copy of this Agreement to me at (720) 493-4186 or mhand@publicradiocapital.org. I will then fax or pdf a fully-executed version to you. We are very pleased to be able to work with KUHF on this exciting project to expand public radio service in Houston.

Best regards,

Marc Hand
Managing Director
Public Radio Capital

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Agreed to by KUHF (FM)

By: _____
Name: John Proffitt
Title: General Manager and Chief Executive Officer
Date signed: _____

Agreed to by The University of Houston System

By: _____
Name: Edward T. Hugetz
Title: Associate VC/VP for Planning and University Outreach
Date signed: _____

Agreed to by The University of Houston System

By: _____
Name: Elaine M. Charlson
Title: Executive Associate VC/VP for Academic & Faculty Affairs
Date signed: _____

Agreed to by The University of Houston System

By: _____

Name:

Title:

Date signed: _____