

(b) If to Programmer:  
Mr. Guilford Dye  
Broadcasting Corp. of Mendocino County  
P.O. Box 1056  
Ukiah, CA 95482

Either party may change its address for notices by written notice to the other given pursuant to this Section.

8.7. Attorneys' Fees. If either party initiates any litigation against the other involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

8.8. Arbitration. Any dispute arising out of or related to this Agreement that Seller and Buyer are unable to resolve by themselves shall be settled by arbitration in California. If Seller and Buyer are unable to agree upon a mutually-acceptable arbitrator, then they shall each designate one disinterested arbitrator, and the two arbitrators so designated shall select a third arbitrator who shall conduct the arbitration. The person selected as arbitrator need not be a professional arbitrator, and persons such as lawyers, accountants, brokers, and bankers shall be acceptable. The arbitration hearing shall be conducted in accordance with the rules of the American Arbitration Association. The written decision of the arbitrator shall be final and binding on Seller and Buyer. The costs and expenses of the arbitration proceeding shall be assessed between Seller and Buyer in a manner to be decided by the arbitrator, and the assessment shall be set forth in the decision and award of the arbitrator. Judgment on the award, if it is not paid within thirty (30) days, may be entered in a court in the State of California having jurisdiction over the matter. No action at law or suit in equity based upon any claim arising out of or related to this Agreement shall be instituted in any court by Seller or Buyer against the other except (i) an action to compel arbitration pursuant to this Section or (ii) an action to enforce the award of the arbitration rendered in accordance with this Section. In the event of a dispute under this Agreement, Programmer shall satisfy its payment obligations under Section 1.3 if payments during the dispute are made by Programmer to a Dispute Escrow Agent. Unless otherwise hereafter provided, the Dispute Escrow Agent shall be First American Title of Mendocino County. Should the Programmer be the party seeking termination of this Agreement, and in the event the Programmer is declared to be the prevailing party, then any payments made by Programmer, under Section 1 of this Agreement, during the term the dispute is being arbitrated shall be refunded by Licensee to



Programmer by not later than the tenth (10th) day after the decision of the arbitrator(s) is issued.

8.9. Licensee's Representations, Warranties and Covenants. Licensee hereby further represents, warrants and covenants:

(a) Authorizations. Licensee will own and hold all licenses and other permits and authorizations necessary for the operation of the Station as presently permitted by the Commencement Date ("Operating Authorizations"). There is not now pending or, to Licensee's knowledge, threatened any action by the Commission or other party to revoke, cancel, suspend, refuse to renew or materially and adversely modify any of such Operating Authorizations and, to Licensee's knowledge, no event has occurred which allows or, after notice or lapse of time or both, would allow, the revocation or termination of such Operating Authorizations or the imposition of any restrictions thereon of such a nature that may limit in any material respect the operation of the Station as presently conducted. Licensee has no knowledge that any such Operating Authorizations will not be renewed in due course during the term of this Agreement. To the best of its knowledge, Licensee is not in violation in any material respect of any statute, ordinance, rule, regulation, policy, order or decree of any federal, state, local or foreign government entity, court or authority having jurisdiction over it or its operations or assets, which would have a material adverse effect on Licensee or its assets or on its ability to perform this Agreement.

(b) Filings. All reports and applications required to be filed with the FCC (including ownership reports and renewal applications) or any other governmental entity, department or body in respect of the Station in the future will be, filed by Licensee in a timely manner and are and will be true and complete in all material respects. All such reports and documents, to the extent required to be kept in the public inspection files of the Station, are and will be kept in such files.

(c) Facilities. The Station's operating equipment will be maintained and will comply in all material respects with the maximum facilities permitted by the Operating Authorizations and will be maintained, in all material respects, in accordance with good engineering standards necessary to deliver a high quality technical signal to the area served by the Station and, in all material respects, with all applicable laws and regulations (including the requirements of the Act and the rules, regulations, policies and procedures of the FCC promulgated thereunder). All expenditures reasonably required to maintain the quality of Station's signals shall be made promptly and shall be the responsibility of Licensee.

(d) Retention of Property. Licensee will not dispose of, transfer, assign or pledge any asset, except with the prior written consent of Programmer, if such action would affect materially and adversely Licensee's performance hereunder or the business and operations of Programmer permitted hereby.

(e) Insurance. Licensee will maintain in full force and effect throughout the term of this Agreement insurance with responsible and reputable insurance companies or associations covering such risks (including fire, and other risks insured against by extended coverage, public liability insurance, insurance for claims against personal injury or death or property damage, and such other insurance as may be required



by law and as is customary and usual in the broadcast industry) and in such amounts and on such terms as is conventionally carried by broadcasters operating radio stations with facilities comparable to those of the Station. Any insurance proceeds received by Licensee in respect of damaged property will be used to repair or replace such property so that the operation of Station conforms with this Agreement.

8.10. No Partnership or Joint Venture Created. Nothing in this Agreement shall be construed or interpreted to make Licensee and Programmer partners or joint venturers, or to make one an agent or representative of the other, or to afford any rights to any third party other than as expressly provided herein. Neither Programmer nor Licensee is authorized to bind the other to any contract, agreement or understanding. Programmer and Licensee acknowledged that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties, and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement.

8.11. Certain Mutual Representations and Warranties. Both Licensee and Programmer represent that they are legally qualified, empowered and able to enter into this Agreement, and that the execution, delivery and performance hereof shall not constitute a breach or violation of any agreement, contract or other obligation or any kind to which either party is subject or by which it is bound. Both Licensee and Programmer warrant, represent, covenant and certify that Licensee maintains, and shall continue to maintain, ultimate control over the Station's facilities during the Term of this Agreement, including, without limitation, control over the Station's finances, personnel and programming. Each party hereto represents and warrants that it has taken all necessary corporate or other necessary action to make this Agreement legally binding on such party, and that the individual signing this Agreement on behalf of such party has been fully authorized and empowered to execute this Agreement on behalf of such party. Programmer and Licensee each represents to the other that it has not engaged a broker in connection with this Agreement and agrees to indemnify the other and hold the other harmless against any claim any broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by Programmer or by Licensee, as the case may be.

(a) No Consent. Except for the filing of this Agreement with the FCC and in the Station's Local Public File, Programmer and Licensee each represents to the other that except as otherwise provided herein, no consent of any other party and no consent, license, approval or authorization of, or exemption by, or filing, restriction or declaration with, any governmental authority, bureau, agency or regulatory authority is required in connection with the execution, delivery, validity or enforceability of this Agreement.

(b) No Breach. Programmer and Licensee each represents to the other that neither the execution or delivery of this Agreement nor the consummation of the



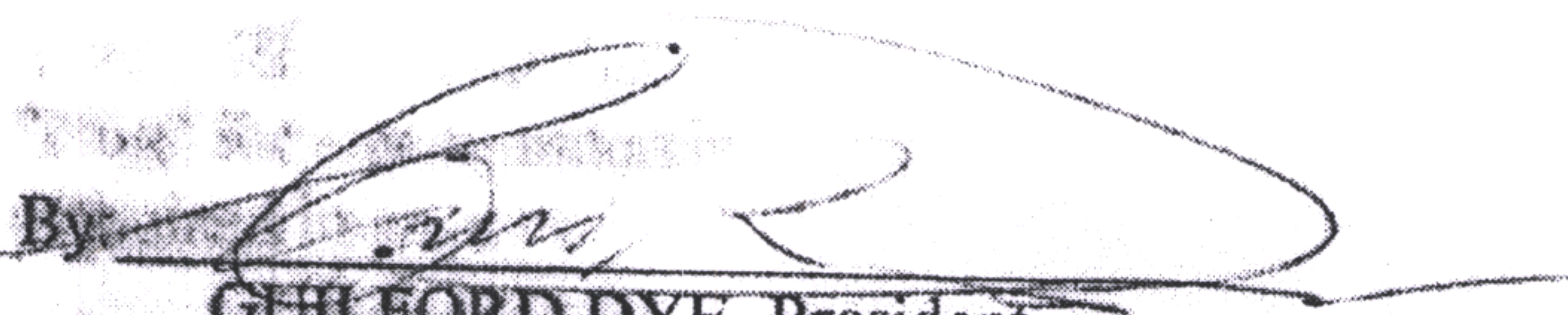
transactions contemplated herein will constitute or result in the breach of any term, condition or provision of, or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of Programmer or Licensee, pursuant to its articles of incorporation, its by-laws, any agreement or other instrument to which Programmer or Licensee is a party or by which any part of its property is bound, or violate any law, regulation, judgment or order binding upon Programmer or Licensee.

(c) Actions and Proceedings. No proceeding is pending against Programmer or Licensee, or, to the knowledge of Programmer or Licensee, threatened before any court or governmental agency to restrain or prohibit, or to obtain damages, or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby.

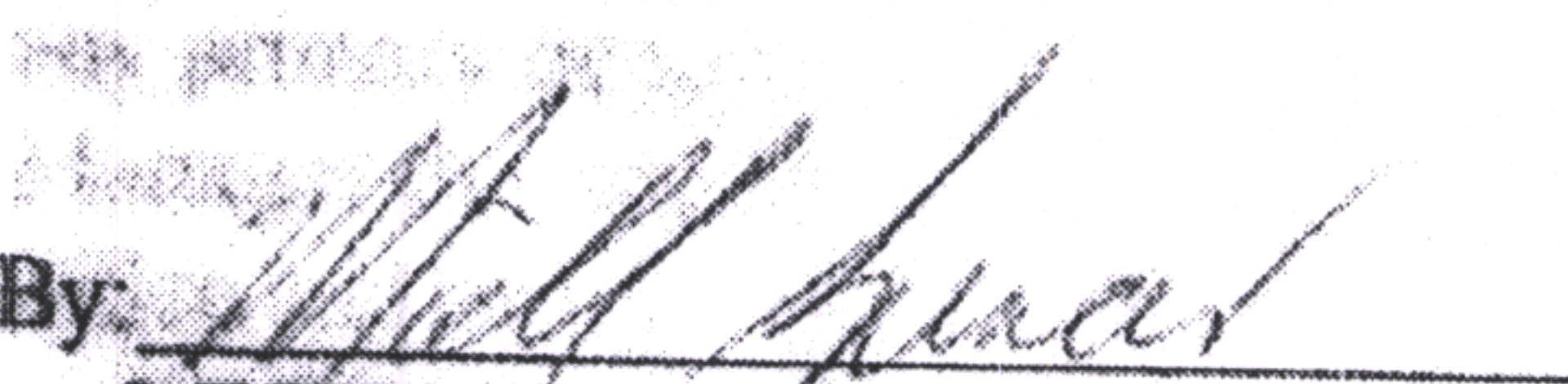
8.12. Confidentiality. The undertakings, obligations, covenants and conditions contained in Section 22.10 of the Purchase Agreement shall also govern this Agreement, and Section 22.10 of the Purchase Agreement is hereby incorporated by reference.


IN WITNESS WHEREOF, the parties hereto have executed this Time Brokerage Agreement on the day and year first written above.


**PROGRAMMER:** BROADCASTING CORPORATION OF MENDOCINO COUNTY

By:   
GUILFORD DYE, President

**LICENSEE:** RADIO MILLENNIUM L L C

By:   
MICHAEL SPENCER, Member

  
GUDRUN Z. DYE, Member

  
GUILFORD R. DYE, Member



## ATTACHMENT A

### TIME BROKERAGE AGREEMENT

Programmer agrees to cooperate with Licensee in the broadcasting of programs of the highest possible standard of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs:

I. **RELIGIOUS PROGRAMMING.** The subject of religion and references to particular faiths, tenants, and customs shall be treated with respect at all times. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual organization.

II. **CONTROVERSIAL ISSUES.** Any discussion of controversial issues of public importance shall 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 shall be made during the discussion of controversial issues of public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, Licensee may require that responsive programming be aired.

III. **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.

IV. **NO LOTTERIES.** Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.

V. **ELECTION PROCEDURES.** At least ninety (90) days before the start of any primary or regular election campaign, Programmer will clear with Licensee's General Manager the rate Programmer will charge for the time to be sold to candidates for public office and/or his supporters to make certain that the rate charged conforms to all applicable laws and Station's policy.

VI. **REQUIRED ANNOUNCEMENTS.** Programmer shall broadcast (a) an announcement in the form satisfactory to Licensee at the beginning of each hour to identify Station KMKX-FM (b) announcements as required by law to indicate that program time has been purchased by Programmer, and (c) any other announcement that may be required by law, regulation, or Station's policy.

VII. **CREDIT TERMS ADVERTISING.** Pursuant to rules and regulations of the Federal Trade Commission, any advertising of credit terms shall be made over the Station in accordance with all applicable federal and state laws.



VIII. NO ILLEGAL ANNOUNCEMENTS. No announcement or promotion prohibited by federal or state law or regulation or any lottery or game shall 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, and such explanation be presented to Licensee, which reserves the right, in its sole discretion to reject any game, contest or promotion.

IX. LICENSEE DISCRETION PARAMOUNT. In accordance with the Licensees responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission, 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 the judgment of Licensee or its General Manager/Chief Engineer would not serve the public interest.

X. PROGRAMMING IN WHICH PROGRAMMER HAS A FINANCIAL INTEREST. Programmer shall advise General Manager of the Station with respect to any programming [including commercial(s)] concerning goods or services in which Programmer has a material financial interest. Any announcements for such goods and services shall clearly identify, Programmer's financial interest.

XI. PROGRAMMING PROHIBITIONS. Programmer shall not knowingly and intentionally broadcast any of the following programs or announcements:

A. False Claims. False or unwarranted claims for any product or service.

B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation or either program idea or copy, or any other unfair competition.

C. Commercial Disparagement. Any disparagement of competitors or competitive goods.

D. Profanity. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or treatment.

E. Descriptions of Bodily Functions. Any continuity which describes in a repellent manner internal bodily functions, excretory functions or symptomatic results or internal disturbances, and no reference to matters which are not considered acceptable topics in social groups.



F. Conflict Advertising. Any advertising matter or announcement which may, in the reasonable opinion of Licensee, be injurious or prejudicial to the interests of the public, the Station, or honest advertising and reputable business in general.

G. Fraudulent or Misleading Advertisement. Any advertising matter, announcement, or claim which Programmer knows to be fraudulent, misleading, or untrue.

Licensee may waive any of the foregoing regulations in specific instances if, in its reasonable opinion, good broadcasting in the public interest will be served thereby.

### SCHEDULE 1.3

#### COMPENSATION

1. Late Payment Penalty. After the ninth month of the date of this agreement, in the event Programmer fails to pay the Monthly Fee on or before the fifth (5th) Business Day of any calendar quarter during which such payment(s) is/are due, then Programmer shall be obligated to additionally tender and pay a late payment penalty of ten percent (10%) of the Monthly Fee, by means of immediately Available Funds. In the event that the Programmer fails to pay the Operating Expense within fifteen (15) calendar days after receiving from the Licensee an itemization and reasonable documentation supporting the reimbursement of the Operating Expenses, then Programmer shall be obligated to additionally tender and pay a late payment penalty of ten percent (10%) of the Operating Expenses, by means of Immediately Available Funds. A late payment penalty shall be included by Programmer with any Monthly Fee or Reimbursement of Operating Expenses that is untimely or overdue when paid.

2. Reasonable Disputes. In the event of a reasonable dispute over the amount of any payment hereunder because of adjustment, e.g., for preemption prorations or force majeure or other interruptions, the dispute shall be resolved as provided in Section 8.8 of the Agreement.

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