

**LOCAL MARKET**  
**TIME BROKERAGE AGREEMENT**

This Local Market Time Brokerage Agreement (herein called the "LMA") dated as of November 3, 2005, by and between Columbus Television, Inc. ("Licensee") the Licensee of Class A Television Station WCGT-LP, Columbus, Georgia, Fac. Id. # 17544 (the "Station"), and Christian Television Network, Inc., licensee of certain full power and Class A television stations ("Broker").

WHEREAS, Licensee has available broadcasting time, and is engaged in the business of television broadcasting on the Station; and

WHEREAS, Broker is acquiring the assets of the Station pursuant to an Asset Purchase Agreement ("APA") and desires to avail itself of Licensee's broadcast time commencing on the date the APA is executed;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

**WITNESSETH:**

1.1 Facilities and Programming: Licensee agrees to make the broadcasting transmission facilities of the Station available to Broker commencing at 12:00 o'clock midnight on November 3, 2005, for the broadcast of Broker's programs (the "Programs"). The Programs shall follow an entertainment format, which may include music, sports, news, public service and religious programming, promotions, contests, and commercial matter. Except as provided in Paragraph 1.2 below, Broker shall supply the Programs and may originate the programs from its own studios or the studios of Licensee. Except for the Existing Programs or as otherwise provided herein, Licensee agrees to make all of the air time of the Station available to Broker for the broadcast of the Programs. Broker shall retain all revenues from the sale of advertising both on the Programs it delivers to Licensee and on the Existing Programs defined in Paragraph 1.2 below, and Broker may sell advertising in combination with any other television broadcast station owned by Broker or controlled by Broker's board of directors. Broker shall have the right to change programs and format at any time by giving Licensee at least twenty-four (24) hours notice before such change. Except as otherwise expressly provided herein, Broker shall not assume or be responsible for any present or future liabilities of Licensee.

1.2 Existing Programs. Licensee currently carries programming on the Station pursuant to the contracts listed in Attachment I hereto (the "Existing Programs"). Unless otherwise agreed by the parties, Licensee hereby agrees to continue each of these contracts in effect until the earlier of: (i) the conclusion of the term of each contract or the termination thereof for reasons beyond Licensee's control; or (ii) the termination of this LMA. Licensee further agrees to give Broker the benefit of each contract to the same extent as if it had been assigned to Broker, including the right to sell all available advertising associated with the Existing Programs, and Broker shall perform Licensee's obligations under each contract relating to the benefit obtained by Broker including all barter obligations thereunder. Licensee further

agrees that Broker shall be permitted to use any of the programming material it currently owns and uses in the operation of the Station. Licensee shall continue to produce the requisite three (3) hours of local programming per quarter within the Station's market area, as required by the FCC for Class A television stations, and Broker shall broadcast such programming on the Station during the term of the LMA. The expense of producing such programs shall be included in the expense items to be reimbursed to Licensee by Broker or paid directly by Broker at Licensee's direction pursuant to section 2 hereof. Any program agreements entered into by Broker during the LMA shall contain a provision that such agreements shall terminate when the LMA terminates.

1.3 Authorizations. The Station operates in accordance with the authorizations issued by the FCC. The Station operates on television channel 16 with an effective radiated power of 8.2 kW from an antenna mounted such that its center of radiation is 105 meters above ground level. Throughout the term of this Agreement and except as otherwise provided in this LMA, Licensee shall make the Station and all related equipment available to Broker for operation with the maximum authorized facilities. Licensee shall maintain a main studio for the Station within the Station's principal community contour. In the event Broker establishes a separate studio for purposes of originating its broadcasts during the LMA, such studio shall be located so as to meet the requirements of the FCC's rules for a main studio, and Licensee shall have the option of using that location as its new main studio.

2. Payments.

2.1 During the term of this LMA, Broker hereby agrees to pay Licensee the amount of the itemized expenses set forth in Schedule I ("Monthly Payment"), in accordance with the terms set forth therein.

2.2 As consideration for Broker's purchasing the air time of the Station, Licensee hereby assigns to Broker all prepayments to Licensee arising out of Licensee's prior sale of air time for commercial announcements that are required to be broadcast on the Station on or after November 3, 2005, during the term of this LMA.

3. Term and Termination. The term of this LMA shall commence on the date the APA is executed, and continue until the earlier of (a) a period of one (1) year, (b) the closing of the APA, (c) the termination of the APA pursuant to its terms, or (d) the termination of the LMA as otherwise permitted pursuant to its terms. Broker shall have the right at its sole option to terminate this LMA if: (i) the Federal Communications Commission ("FCC") denies or designates for hearing any application for assignment of the Station license from Licensee to Broker; or (ii) Licensee, pursuant to this LMA, preempts or substitutes other programming, excluding Existing Programs, for that supplied by Broker during fifteen (15%) percent or more of the total hours of operation of the Station during any calendar month.

4. Programs. Except for the Existing Programs, Broker shall furnish or cause to be furnished the artistic personnel and material for the Programs as provided by this LMA, and each Program shall be rendered and delivered suitable and ready for broadcast in a manner

satisfactory to Licensee. At the request of the General Manager of the Station, Broker shall provide complete copies of the program schedule. Each Program shall be broadcast in conformity with the regulations and restrictions set forth on **Attachment II** hereto, which are an integral part of this LMA. Licensee reserves the right to refuse to broadcast any Program which does not, in Licensee's sole opinion determined in good faith, serve the public interest. If, in Licensee's sole opinion determined in good faith, the programs to be broadcast by Broker fail to conform to the regulations and restrictions set forth on **Attachment II** hereto, Licensee shall have the right, without prejudice to any other rights it may also have, to (1) furnish and/or substitute programming prepared by Licensee; or (2) edit the programming furnished by Broker; or (3) refuse to furnish transmission facilities to Broker for the broadcast of said programs. In all such cases, however, Licensee will endeavor to notify Broker of any changes or substitutions in advance of the broadcast and of its reasons for concluding that the Program does not conform to the regulations and restrictions set forth on **Attachment II** hereto.

5. Foreign Language Programs. In the event that any Programs or parts or portions thereof contain, or are broadcast in, any languages other than English, Licensee shall have the right to retain, at Broker's expense, one or more interpreters, as circumstances may require, fluent in English. The interpreter(s) shall monitor the Programs or parts or portions thereof, which contain the foreign language and, at the request of Licensee shall provide Licensee, as Licensee may request, either accurate digests or transcripts of the Programs or parts or portions thereof, that contain the foreign languages.

6. Programming and Operations Standards. Broker agrees to abide by the standards set forth in **Attachment II** in its programming and operations. Broker further agrees that if, in the sole judgment of Licensee, Broker does not comply with said standards, Licensee may preempt or require substitution for any Program(s) not in compliance.

7. Responsibility for Employees and Expenses.

7.1 Broker shall employ and be responsible for the salaries, taxes, insurance, benefits and related costs for all personnel used in the production of the Programs and the sale of advertising or broadcast time related thereto. In addition, as needed, Broker agrees to provide to Licensee Broker's employees having technical expertise regarding Station operations to ensure that Licensee is able to and meets its obligations under this LMA to ensure, maintain and continue Station broadcast transmissions. For that purpose only, and consistent with Licensee's obligations under section 8.1 hereof, Broker agrees that Licensee's Station Personnel shall have authority over Broker's employees during the time when they are carrying out duties necessary to ensure, maintain and continue Station broadcast transmissions. Broker shall pay for all telephone calls associated with the program production and listener responses, for all fees to ASCAP, BMI and SESAC and for any other copyright fees attributable to its programming broadcast on the Station.

7.2 Licensee shall employ or train Station personnel adequate to operate the facilities at all times, including the capacity to broadcast any program it originates and to perform routine or emergency engineering functions ("Station Personnel"). At a minimum,

Station Personnel shall include two (2) persons full-time, including a General Manager, who shall serve as or appoint a Chief Operator. The Station Personnel shall work at a main studio located within the Station's principal community contour. Licensee will be responsible for the salaries, taxes, insurance, benefits and related costs for the Station Personnel. Whenever on the Station's premises, all personnel shall be subject to the supervision and the direction of Licensee's General Manager. Licensee shall also be responsible for paying or ensuring payment in a timely fashion of the following expenses related to operation of the Station: rents for the main studio and transmitter site and all taxes and other costs incident thereto, including but not limited to real estate and tangible taxes; utilities costs relating to main studio and transmitter site operation; and costs of the insurance required by Paragraph 14 below.

8. Operation of Station.

8.1 Notwithstanding anything to the contrary in this LMA, Licensee certifies that under this LMA it will maintain ultimate control over the Station's facilities, including specifically control over the Station's finances, personnel and programming. Licensee shall have full authority and power over the operation of the Station during the term of this LMA. The General Manager for the Station shall be accountable to Licensee and shall direct the day-to-day operation of the Station. Licensee shall retain control in its absolute discretion over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements, the right to preempt any Programs or Existing Programs in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest, and the right to take any other actions necessary for compliance with the laws of the United States, the State of Georgia, and the rules, regulations, and policies of the Federal Communications Commission, including the prohibition of unauthorized transfer of control. As required by the FCC's rules and regulations, Licensee certifies that this LMA complies with the FCC regulations and policies related to time brokerage agreements.

8.2 During the term of this LMA, Licensee will be solely responsible for ascertaining issues of community importance, addressing such issues through its own programming or the Programs supplied by Broker, and preparing the quarterly listings of significant community issues and responsive programming. Licensee will also be solely responsible for maintaining the Station logs and political and public inspection files, for receiving and responding to telephone inquiries related to Station operations, for filing all necessary reports with the FCC, and for broadcasting proper station identification announcements. Broker shall, subject to the ultimate supervision of Licensee, deliver to the Station, such 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 and 73.3526 of the FCC's rules. Licensee shall have ultimate responsibility for ensuring compliance with the rules, regulations and policies of the FCC, as announced from time to time, including those with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates to "equal opportunities," "lowest unit charge" and reasonable access. Broker will provide to Licensee such documentation relating to such programming as Licensee shall reasonably request.

9. Special Events. Licensee reserves the right in its discretion, and without liability, to preempt one or more of the broadcasts of the Program(s) or Existing Programs, referred to herein, and to use part or all of the time contracted for herein by Broker for broadcasts of special events of importance. In all such cases, Licensee will use its best efforts to give Broker reasonable notice of its intention to preempt such broadcast or broadcasts, and, in the event of such preemption Broker shall receive a pro-rata payment credit for the broadcast so omitted on the basis of the total number of hours of Programs that would have been provided by Broker in that month had the preemption not occurred, unless said broadcast is made at some substituted time that is mutually satisfactory to the parties hereto.

10. Condition of Broadcast Equipment. In conjunction and coordination with Broker, Licensee shall maintain all equipment necessary for broadcasting by the Station shall be maintained by Licensee at Licensee's expense in a condition consistent with good engineering practices and in compliance in all material respects with the applicable rules and regulations of the FCC. All expenses reasonably required to maintain the quality of the Station's signal shall be made at the expense of Licensee in a timely fashion.

11. Force Majeure. Any failure or impairment of facilities or any delay or interruption in broadcasting Programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Licensee, shall not constitute a breach of this LMA and Licensee will not be liable to Broker with respect to facilities that failed or were impaired or not furnished.

12. Payola/Sponsorship Identification. Broker agrees that neither Broker nor its employees will accept any compensation or any kind of gift or gratuity of any kind whatsoever, regardless of its value or form including, but not limited to a commission, discount, bonus, materials, supplies or other merchandise, services, or labor, whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the payer is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements.

13. Compliance With Law. The parties agree that throughout the term of this LMA each party will comply with all laws and regulations applicable in the conduct of Licensee's business, or otherwise use its best efforts to immediately come into compliance with such laws and regulations.

14. Insurance. Promptly upon execution of this LMA, Licensee will provide Broker with a copy of all insurance policies currently in effect with respect to the Station. Licensee will maintain in full force and effect throughout the term of this LMA 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 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 the Station conforms with this LMA, provided, however, that the filing of a claim under Licensee's insurance shall be reviewed and approved in accordance with the APA.

15. Indemnification; Warranty. Broker will indemnify and hold Licensee harmless against 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 furnished by Broker, or failure to furnish records or information required to be supplied by Broker under Paragraph 8.2 above. Further, Broker warrants that the broadcasting of the Programs will not violate any rights of others and Broker agrees to save Licensee harmless from any and all claims, damages, liability, costs and expenses, including attorney fees, arising from the production and/or broadcasting of the Programs or for failure of Broker to discharge any obligations arising under this LMA. Licensee reserves the right to refuse to broadcast any and all Programs containing matter which is, or in the reasonable opinion of Licensee may be, or which a third party claims to be violative of any right of theirs. Licensee will indemnify and hold Broker harmless against any and all claims, damages, liability, costs, and expenses, including attorney fees, arising from Licensee's operation of the Station prior to the commencement of the term of this LMA or arising from Licensee's failure to fulfill any of its obligations under this LMA. The parties' obligation to hold each other harmless against the liabilities specified above shall survive any termination of this LMA.

16. Events of Default. The following shall, after the expiration of the applicable cure periods, constitute Events of Default under this LMA:

16.1 Non-Payment. Broker's failure to timely pay the consideration provided for in Paragraph 2 hereof.

16.2 Default in Covenants. Broker's or Licensee's default in the material observance or performance of any material covenant, condition, or agreement contained herein.

16.3 Termination of APA. Upon termination of the APA, provided, however, that termination shall be immediate and the cure periods shall not apply if the LMA is terminated pursuant to this paragraph 16.3.

16.4 Breach of Representation. Any material representation or warranty herein made by either party, or in any certificate or document furnished to the other party pursuant to the provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

16.5 Cure Periods. An Event of Default shall not be deemed to have occurred until five (5) business days after the nondefaulting party has provided the defaulting party 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 within such period. Except for default due

to nonpayment of consideration by Broker, this period may be extended for a reasonable period if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the nondefaulting party.

16.6 Termination Upon Default. In the event of the occurrence of an Event of Default: (i) if Broker is the defaulting party, Licensee shall be under no further obligation to make available to Broker any further broadcast time or broadcast transmission facilities; and (ii) if Broker is the defaulting party, all amounts accrued or payable to Licensee up to the date of termination which have not been paid shall immediately become due and payable. In the event that an Event of Default is declared as a result of the breach set forth in Section 16.2 or Section 16.3, then the nondefaulting party's only right is to seek actual damages for such breaches. Damages under this Section 16 are separate and apart from any damage provisions in the APA.

17. No Joint Venture. The parties hereto expressly agree that the relationship between them hereunder is that of two principals dealing with each other as independent contractors subject to the terms and conditions of this LMA. At no time, past, present or future, shall the relationship of the parties herein be deemed or intended to constitute an agency, partnership, joint venture, or a collaboration for the purpose of sharing any profits or ownership in common. Neither party shall have the right, power or authority at any time to act on behalf of, or represent, the other party, but each party hereto shall be separately and entirely liable for its own debts in all respects, except as expressly set forth herein.

18. Representations. Both Licensee and Broker represent that:

(a) they are legally qualified, empowered, and able to enter into this LMA, and that they have had the benefit of advice of their respective counsel with respect thereto;

(b) Licensee maintains ultimate control over the facilities of the Station, including specifically control over the finances of Licensee as Licensee, personnel employed by Licensee, and programming broadcast by the Station; and

(c) the entering into of this LMA does not violate the FCC's multiple ownership rules.

19. Modification and Waiver. No alteration, modification, change, or waiver of any provision of this LMA shall in any event be effected unless the same shall be in writing, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

20. No Waiver; Remedies Cumulative. No failure or delay on the part of Licensee or Broker in exercising any right or power hereunder 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 Licensee and Broker herein

provided are cumulative and are not exclusive of any right or remedies which it may otherwise have.

21. Construction. This LMA shall be construed in accordance with the laws of the State of Georgia, without giving effect to the conflict of law provisions thereof, and the obligations of Licensee hereunder are subject to the terms of the license held by Licensee and to all federal, state, county, or municipal laws or regulations now or hereafter in force and to the regulations of all Commissions or other governmental bodies or authorities presently or hereafter to be constituted.

22. Headings. The headings of the provisions for this LMA are included for convenience only, and no such heading shall in any way alter the meaning of any provision.

23. Counterpart Signature. This LMA may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto; notwithstanding that the parties are not signatory to the original or the same counterpart. This LMA shall be effective as of the date on which the executed counterparts are exchanged by the parties.

24. Notice. Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or mailed by certified mail or Federal Express service, postage prepaid, with return receipt requested, and addressed as follows:

If to Licensee: Columbus Television, Inc.  
Attn: Virgil Thompson  
5017 Hamilton Road  
Columbus, Georgia 31904

With a Copy to: Walter W. Hays, Jr.  
Fortson, Bentley and Griffin, P.A.  
P.O. Box 1744  
440 College Ave. North, Suite 220  
Athens, Georgia 30603-1744

If to Broker: Christian Television Network, Inc.  
Attn: Robert D'Andrea  
P.O. Box 6922  
Clearwater, Florida 33758

With a Copy to: Joseph C. Chautin, III, Esq.



Hardy, Carey, Chautin & Balkin, LLP  
110 Veterans Memorial Boulevard  
Suite 300  
Metairie, LA 70005

25. Alternate Addresses. Notice, as provided by this Paragraph, may be given to any other person or party, as any party hereto may in the future designate in writing, upon due notice to the other party.

26. Date of Notice, Action. The postal receipt for deposit with the U.S. mail or courier service specified herein shall establish the date of such notification or communication. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in Georgia, the last day for such notification, communication or action shall be extended to the first date thereafter which is not a Saturday, Sunday or such legal holiday.

27. Entire Agreement. This LMA embodies the entire understanding between the parties and there are no other representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof.

28. Severability. The event that any of the provisions contained in this LMA become or are held to be invalid, illegal or unenforceable shall not affect any other provision hereof, and this LMA shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

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

Columbus Television, Inc.

  
Virgil Thompson, President

Christian Television Network, Inc.

\_\_\_\_\_  
Robert D'Andrea, President

Hardy, Carey, Chautin & Balkin, LLP  
110 Veterans Memorial Boulevard  
Suite 300  
Metairie, LA 70005

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

Columbus Television, Inc.

\_\_\_\_\_  
Virgil Thompson, President

Christian Television Network, Inc.

\_\_\_\_\_  
Robert D'Andrea, President

## **ATTACHMENT I**

### Existing Program Contracts

<b>Program</b>	<b>Day or Dates to be Broadcast</b>	<b>Times to be Broadcast</b>
2 <sup>nd</sup> Annual Great American Smokeout Telethon	November 14, 2005	4 p.m. – 10 p.m.
Peaceful Baptist Church	Sundays	6:30 pm. – 7:30 p.m.
Auburn Preview	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
Auburn Review	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
Neighbors	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under Licensee's Ultimate Poker Challenge Agreement with Passport International Productions of California, Inc. dated August 16, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under the Licensee's Television Distribution Agreement with Atlas Worldwide Syndications and Distribution dated June 30, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under Licensee's License Agreement with Mercury Multimedia, Inc. dated August 8, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under Licensee's Clearance Agreement – Field Order with Artist and Idea Management, Ltd. dated April 11, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under Licensee's Gina D's Kids Club License with Raven Moon Entertainment, Inc. dated April 14, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.

All Programs to be aired under Licensee's Field Order – Barter Agreements with Warner Bros. Television Distribution, Inc. dated June 27, 2005 and March 23, 2005.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.
All Programs to be aired under Licensee's Broadcast Affiliate Agreement with Shop At Home Network, LLC dated January 26, 2004.	To be supplied by Licensee no later than November 5, 2005.	To be supplied by Licensee no later than November 5, 2005.

## **ATTACHMENT II**

### **REGULATIONS AND RESTRICTIONS**

Broker agrees to cooperate with Licensee in the broadcasting of programs of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs.

I. **Respectful of Faiths.** The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.

II. **No Denomination Attacks.** Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.

III. **Donation Solicitation.** Requests for donations in the form of a specific amount, for example, \$1.00 or \$5.00, shall not be made if there is any suggestion that such donation will result in miracles, cures or prosperity. However, statements generally requesting donations to support the program broadcast or a church are permitted.

IV. **No Ministerial Solicitations.** No invitations by a minister or other individual appearing on a religious program to have listeners come and visit him or her for consultation or the like shall be made if such invitation implies that the listeners will receive consideration or monetary gain.

V. **No Vending of Miracles.** Any exhortation to listeners to bring money to a church service is prohibited if the exhortation, affair, or service contains any suggestion that miracles, cures, or prosperity will result. This shall not preclude advertisements for legally authorized church or other non-profit bingo if permitted by FCC rules and regulations.

VI. **No Miracle Solicitation.** Any invitations to listeners to meet at places other than a church and/or to attend other than regular services of a church is prohibited if the invitation, meeting, or service contains any claim that miracles will result.

VII. **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 with proper Sponsorship Identification, is prohibited.

VIII. **No Lotteries.** Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.

IX. **Election Procedures.** At least ninety (90) days before the start of any primary or regular election campaign, Broker will clear with Licensee's General Manager the rates Broker will charge for the time to be sold to candidates for public office and/or

their supporters to make certain that the rate charged is in conformance with the applicable law and station policy.

X. **Commercial Limitations.** With respect to any given segment of air time provided by the Broker hereunder, the amount of commercial matter shall not exceed sixteen (16) minutes during any sixty (60) minute segment. Broker will provide, for attachment to the station logs, a list of all commercial announcements for its programming.

XI. **Required Announcements.** Under Licensee's ultimate supervision, Broker shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station and (ii) any other announcements that may be required by law, regulation or Station policy.

XII. **Credit Terms Advertising.** Unless permitted by rules of the Federal Trade Commission, no advertising of credit terms shall be made over the Station beyond mention of the fact that, if desired, credit terms are available

XIII. **No Illegal Announcements.** No announcements or promotion prohibited by federal or state law or regulation of 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 to Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion.

XIV. **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 Federal Commissions, 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 sole judgment would not serve the public interest.

XV. **Programming Prohibitions.** Broker shall not 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 illegal imitation of program copy, or any other unfair competition.

C. **Obscenity/Indecency/Profanity.** Any programs or announcements that are slanderous, obscene, profane, indecent or vulgar, either in theme or in treatment.

D. **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, or honest advertising and reputable business in general.

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

In any case where questions of policy or interpretation arise, Broker should submit the same to Licensee for decision before making any commitments in connection therewith.

## **Schedule I**

### **Monthly Payment Calculation**

Any and all operating costs or expenses necessary to operate the Station during the term of this LMA including, but in no way limited to the following:

Electricity  
Water/Trash  
Phone  
Studio Rent  
Tower Rent  
Music Licensing Fees  
Salary of General Manager (and related payroll expenses, i.e., FIFA, SUI, etc.)  
Salary of 2<sup>nd</sup> Employee (and related payroll expenses, i.e., FIFA, SUI, etc.)  
Local Program Prod. Cost  
Natural Gas  
Insurance (Property, Casualty and General Liability, Workers Compensation and Health)  
Postage  
Repairs/Maintenance  
Printing  
Miscellaneous Licensing Fees  
Macintosh Edit with Final Pro (rental payments)  
Office Supplies  
Ad valorem taxes  
Automobile mileage reimbursement, at the established IRS rate, for autos driven by Virgil Thompson and Virginia McClure.

### **Payment Procedure**

Licensee reserves the right to submit additional expenses to Broker so long as they are necessary to the operation of the Station during the LMA. The intent of this provision is for Broker to pay all Station expenses and Licensee shall have no Station expenses during the term of this LMA.

As expenses related to the operation of the Station are received, on such periodic schedule as is appropriate based upon due dates of such expenses, Licensee shall submit the bill or invoice for each item of expense to Broker (the "Monthly Expenses"). Broker shall then either pay such expenses directly, or Broker shall reimburse Licensee for any expenses made by Licensee, provided, however, that the salary and expenses related to payment of the General Manager and 2<sup>nd</sup> Employee of Licensee and shall always be paid directly by Licensee and reimbursed by Broker (the "Monthly Payment"). To the extent that the LMA commences or ends on other than the first day of a calendar month, the Monthly Expenses shall be prorated for that month by dividing the cost of each itemized item by 30, and multiplying that figure by the number of days in any partial month.



Broker, in its sole discretion, reserves the right to review each itemized expense item submitted by Licensee to ensure that it is related to the operation of the Station during the LMA term. In the event Broker contests an itemized expense item, Broker shall remit all remaining amounts due to Licensee for all uncontested expenses, excepting only the expense item which is being contested or verified. Immediately upon resolution or confirmation of the contested expense item, Broker shall promptly pay such item of expense or reimburse Licensee for same.