

## PROGRAMMING SERVICES AGREEMENT

THIS PROGRAMMING SERVICES AGREEMENT ("*Agreement*") is made this 18<sup>th</sup> day of November, 2015 ("*Effective Date*"), by and between Timber Ridge Ministries, Inc., ("*Licensee*"), and Pointfm Ministries, Inc., ("*Programmer*").

### RECITALS

WHEREAS, Licensee is the Federal Communications Commission ("*FCC*") Licensee of a noncommercial educational Radio Station WVRS (FM), Gore, Virginia (Facility ID# 122630) (the "*Station*");

WHEREAS, Programmer is an experienced noncommercial station operator;

WHEREAS, Licensee and Programmer desire that Programmer undertake the programming and certain operational aspects of the Station for, and under the supervision of, Licensee;

WHEREAS, Licensee expects that the services provided by Programmer will promote quality public radio programming over the Station;

WHEREAS, Licensee and Programmer have entered into an Asset Purchase Agreement ("*Asset Purchase Agreement*") dated November 16<sup>th</sup>, 2015 whereby Programmer proposes to acquire the Station from Licensee, and the parties desire for Programmer to commence operating and managing -- without transferring control of the Station -- during the pendency of the FCC assignment application filed in connection with the asset purchase agreement; and

WHEREAS, Licensee and Programmer wish to collaborate in ways that will advance the educational objectives of both parties.

NOW, THEREFORE, in consideration of the above recitals and mutual promises and other good consideration, the receipt and sufficiency of which are hereby acknowledged by Licensee and Programmer, the parties agree as follows:

### AGREEMENT

#### 1. SERVICES

(a) Programming and Operation. Programmer hereby agrees to program and operate the Station under the supervision and control of Licensee. As FCC Licensee, Licensee shall at all times retain ultimate responsibility for the Station's essential functions, including its programming, finances and Station personnel employed by Licensee. Subject to the foregoing limitations, the programming services provided herein shall include certain aspects of the operation and administration of the Station, including, but not limited to, the production and acquisition of programming, administration of certain Station activities, engineering maintenance and support for Station facilities, limited aspects of financial administration, accounting services, routine engineering services, and assisting Licensee's compliance with laws and regulations applicable to the operation of the Station.

(b) Programming. Programmer will program the Station for 24 hours per day, seven days per week with educational and informational programming generally consistent with that broadcast currently on its network of radio stations (the "*Programming*"), and the Licensee specifically requests

and consents to the provision of such Programming by Programmer for the Station's benefit. The parties acknowledge that the Programming does currently and shall continue to serve the needs and interests of the Station's community of license and further Licensee's educational objectives.

(c) Delivery of Programming. Programmer shall deliver the Programming to the Station at Programmer's cost and expense.

(d) Expenses. In addition to bearing its own expenses in connection with its duties hereunder, and in a manner consistent with FCC policies, Programmer shall reimburse Licensee for Station actual operating expenses reasonably incurred by Licensee.

## 2. TERM OF AGREEMENT

(a) This Agreement shall commence on the Effective Date and, unless it expires pursuant to Section 2(b) or is sooner terminated in accordance with Section 3 of this Agreement, shall continue in full force and effect for a period of one (1) year (the "*Term*").

(b) This Agreement shall automatically expire upon the closing of the sale of the Station construction permit/license and related Station assets to Programmer pursuant to the Asset Purchase Agreement.

## 3. TERMINATION

(a) Licensee may terminate this Agreement: (i) immediately by giving written notice if, in the reasonable good faith discretion of Licensee, the Station is operated by Programmer in a manner contrary to the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or other applicable law; or (ii) if Programmer otherwise is in material breach of its obligations under this Agreement, and Programmer fails to cure such breach within thirty (30) days of written notice from Licensee or, where cure cannot be completed within thirty (30) days, fails to commence such cure within thirty (30) days and work diligently towards its completion.

(b) Programmer may terminate this Agreement: (i) immediately by giving written notice if, in the reasonable good faith discretion of Programmer, Licensee unreasonably frustrates or impedes effective operation and programming of the Station by Programmer; or (ii) if Licensee is in material breach of its obligations under this Agreement and Licensee fails to cure such breach within 30 days of written notice from Programmer.

(c) Upon expiration or termination of this Agreement, except for expiration pursuant to Section 2(b), Licensee shall assume complete operational responsibility for the Station, and Programmer shall be relieved of all obligations under this Agreement, except for obligations incurred prior to the effective date of the termination.

## 4. FUNDRAISING

(a) Fundraising. Programmer may conduct fundraising activities for the ultimate benefit of the Station, including but not limited to membership drives and program underwriting, in such manner as to seek to raise sufficient funds for Programmer to professionally program and operate the Station pursuant to this Agreement and in continuing consultation with Licensee. Programmer shall conduct any such fundraising so as to comply with the rules and policies of the FCC applicable to

noncommercial educational broadcast stations, including (with specificity) Section 73.503(d) of the FCC rules, and with IRS requirements for documenting charitable contributions.

## 5. LICENSE MAINTENANCE

(a) Licensee, as FCC Licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, applications for facility changes and such other filings and reports as may be required by the FCC. Programmer agrees to assist and advise Licensee in such activities and to prepare all necessary documents, filings and reports.

(b) Licensee shall be responsible for ascertaining the programming needs of its community of license and maintaining the Station public inspection file in compliance with FCC requirements, provided, however, that Programmer shall provide advice and assistance with respect to the ascertainment of programming needs and shall provide Licensee with all relevant documents and information created and/or filed with the FCC during the Term of this Agreement that are required to be placed in the Station public inspection file.

## 6. RESPONSIBILITY OF FCC LICENSEE

(a) Licensee and Programmer acknowledge and agree that the operation of the Station in compliance with all laws, rules, policies and regulations of the FCC is the ultimate responsibility of Licensee, as Licensee. Nothing in this Agreement shall be construed as limiting, transferring, assigning or relieving Licensee of such responsibility.

(b) Licensee shall have the right to preempt or reject any Programming if Licensee, in its reasonable judgment, concludes that the Programming does not serve the public interest, or that alternate programming is of greater local or national importance or is designed to address the problems, needs and interests of the local communities. Licensee reserves the right to (i) refuse to broadcast any Programming containing matter which violates any right of any third party or which does not meet the requirements of the rules, regulations, and policies of the FCC, (ii) preempt any Programming in the event of a local, state, or national emergency, and (iii) delete any noncommercial announcements that do not comply with the requirements of the FCC's sponsorship identification or noncommercial underwriting rules.

(c) Programmer shall cooperate with Licensee to ensure that Emergency Alert System tests and other transmissions are properly performed and logged in accordance with Licensee's instructions and FCC requirements.

(d) Subject to Schedule 1(c), Licensee will pay for the costs related to its employees, all studio and transmitter equipment, and all other operating costs required to be paid to maintain the Station's broadcast operations in accordance with FCC rules and policies and applicable law, and all utilities supplied to its main studio and transmitter sites. Programmer shall reimburse the Licensee for all such costs.

## 7. STANDARDS OF OPERATION

Programmer agrees that it will program and operate the Station consistent with industry standards for noncommercial educational broadcasting, so that the Station will provide quality service to the public and comply with all legal requirements.

## 8. INSTITUTIONAL COOPERATION

(a) Identification of Licensee. Programmer will air station identifications that comply with the FCC's rules at the beginning and end of each time of operation and hourly while the Station is on the air.

## 9. REPRESENTATIONS AND WARRANTIES

Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to perform the obligations contemplated hereby, (ii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iii) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

## 10. INSURANCE

(a) During the Term, Programmer shall maintain or obtain insurance policies that insure Programmer and its employees, agents and representatives in connection with the operation and programming of the Station.

## 11. RECORDS/ACCOUNTING

Programmer shall keep financial and accounting records of the Station's activities that are substantially similar in all material respects to such records that Programmer maintains for its own stations and make such records, including but not limited to, as applicable, bank records, ledgers, accounts, and journals, available for inspection by representatives of Licensee upon reasonable prior written notice.

## 12. RELATIONSHIP

During the term of this Agreement, subject to its terms and conditions, Programmer is authorized to hold itself out as the programmer and operator of the Station. Programmer is hereby authorized in its name to enter into contracts in connection with its operation of the Station in the ordinary course of business. Programmer shall be solely responsible for all contracts and financial obligations that it has entered into on behalf of the Station, and shall include pertinent information regarding such contracts in Programmer's financial reports described in Section 11. The relationship between the parties shall be that of independent contractors. Nothing in this Agreement shall be construed to create a partnership or joint venture between them.

## 13. OVERSIGHT AND CONTROL

Notwithstanding anything in this Agreement to the contrary, Licensee shall retain and exercise oversight and control of the activities and operations of the Station. Without limiting the foregoing, Licensee (through its governing board or the board's designated representative(s)) shall have the right: (a) to promulgate basic Station policies regarding personnel (but only to the extent such personnel are working on matters relating to the Station), finances and programming; (b) to direct the day-to-day activities of Programmer's employees working at the Station to the extent necessary for the Station to comply with all legal requirements; (c) to inspect the Station's facilities at any time during operation; (d) to consult with Station management, review FCC-required operating and maintenance records and

procedures, and investigate operational complaints; and (e) to require reasonable written reports, in addition to the financial reports described above, no less often than on a yearly basis, including but not limited to, a financial statement of Station revenues and expenses for the year, a summary of the Station's programming service, and personnel actions (including EEO compliance). For purposes of clarity, Licensee shall not have oversight or control of Programmer's employees generally, but only to the extent that those employees are working on matters relating to the Station within the scope of this Agreement.

14. NOTICES

Any written notice to any party required or permitted under this Agreement shall be deemed to have been duly given on the date of personal service on or on the date of receipt by the party to whom notice is to be given, and shall be addressed to the addressee at the address stated below, or at the most recent address specified by written notice under this provision.

If to Licensee:

Timber Ridge Ministries, Inc.  
PO Box 2697  
Winchester VA 22604  
Attn: Theodore R. Choy, Vice President

If to Programmer:

Pointfm Ministries, Inc.  
221 Nightingale Avenue  
Stephen City, VA 22655  
Attention: Rich Bruce Clemenson, President

15. INDEMNIFICATION

(a) Each party will be responsible for the negligent and intentional conduct of its officers and employees arising out of the performance of this Agreement

16. INTENTIONALLY LEFT BLANK

17. SEVERABILITY

If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement, provided that such remaining portions or provisions can be construed in substance to constitute the agreement that the parties intended to enter into in the first instance.

18. BINDING ON SUCCESSORS

This Agreement may not be assigned by either party without the other party's consent, which

may be given or withheld in its sole discretion. Any attempted assignment without such consent shall be cause for immediate termination of the Agreement by the other party.

19. COMPLETE AGREEMENT

This Agreement contains the entire agreement of the parties with respect to the programming and operation of the Station during the term hereof, and, except as specifically referred to herein, all prior obligations, proposals and agreements relating to the subject matter hereof have been merged herein. This Agreement shall not be modified or amended except by agreement in writing duly executed by the parties hereto.

20. GOVERNING LAW

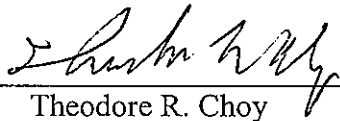
This agreement was made and entered into in the Commonwealth of Virginia.

**[SIGNATURE PAGE FOLLOWS]**

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

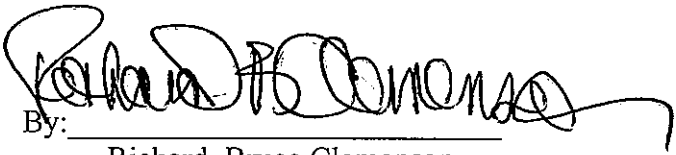
**LICENSEE:**

**Timber Ridge Ministries, Inc.**

By:   
Theodore R. Choy  
Vice President

**PROGRAMMER:**

**Pointfm Ministries, Inc.**

By:   
Richard Bruce Clemenson  
President

**STATEMENT OF STATION POLICIES OF  
LICENSEE**

Timber Ridge Ministries, Inc., ("Licensee"), Licensee of Radio Station WVRS (FM), Gore, Virginia (Facility ID# 122630) (the "Station"), hereby establishes the following standards, practices, policies and regulations to govern the broadcast of all programming aired over the Station. The following standards, practices and policies are to be adhered to in the preparation, writing, production and broadcasting of all underwriting acknowledgements and programs aired over the Station:

I. No Payola Or "Plugola". The mention of any business activity or "plug" for any commercial, professional or other related endeavor on the Station is prohibited, except where contained in an underwriting message that complies with the requirements of Section 399B of the Communications Act and Section 73.503 of the rules of the Federal Communications Commission ("FCC") and such message contains a sponsorship identification announcement which meets the requirements of Section 317 of the Communications Act and Section 73.1212 of the FCC's rules.

II. No Lotteries. Except as expressly permitted under Section 73.1211 of the FCC's rules and as permitted by the laws of the State of Georgia, no announcements, messages or programs may be broadcast over the Station (without the express prior written approval of the Licensee) which promote any lottery. A lottery, for these purposes, is a game or promotion in which a prize is awarded and where the selection of the winner or the amount or nature of the prize is determined in whole or in part on the basis of chance, and where contestants enter the promotion only by paying or promising any form of consideration (e.g., money, substantial time, or substantial energy).

III. Station Identification Announcements Required. A station identification announcement must be broadcast each time the Station goes on the air and when it signs off the air. A station identification announcement must also be broadcast each hour, as close to the top of the hour as feasible, at a natural break in programming, and shall comply with the requirements of Section 73.1201 of the FCC's rules.



IV. Obscenity and Indecency Prohibited. No obscene material may be broadcast over the facilities of the Station. No indecent material may be broadcast on the Station during any time when the airing of such programming would be contrary to law or FCC regulations or policies. For these purposes, "indecent" material is defined as language or material that describes sexual or excretory activities or organs in a patently offensive manner, as measured by contemporary community standards for the broadcast medium. Material will be considered obscene if (a) the average person, applying contemporary community standards, would find that the material appeals to the prurient interest, (b) it describes or depicts, in a patently offensive manner, sexual conduct as defined by applicable state law, and (c) taken as a whole, it lacks serious literary, artistic, political or scientific value.

V. Advertising. No advertisements as defined by Section 399B of the Communications Act and Section 73.503 of the FCC's rules, shall be broadcast on the Station.

VI. Defamatory Statements Prohibited. No statements known to be libelous or defamatory may be broadcast on the Station. Libel is a false statement of fact about a person, which tends to injure that person's reputation or otherwise cause injury or damages to that person.

VII. "Equal Time" For Political Candidates. No legally qualified candidate for public office shall be allowed to "use" (as defined in Section 73.1941(b) of the FCC's rules) the Station during his/her campaign without the prior written consent of Licensee, in which case his/her legally qualified opponents must be afforded equal opportunities to appear on the Station.

VIII. Sponsorship Identification Announcements. All sponsored programs must (a) contain an announcement stating the fact that the matter broadcast was sponsored, paid for, furnished by, or in support of the Station, and must disclose the true identity of the person or entity on whose behalf payment was made or promised for the broadcast, or (b) otherwise comply with Section 317 of the Communications Act and Section 73.1212 of the FCC's rules. Whenever such a sponsorship identification announcement is required, the announcement must be made both at the beginning and conclusion of each program of over five minutes in length. If a sponsored broadcast is five minutes or less in duration, only one such announcement is required, and it may be made either at the beginning or the conclusion of the broadcast or announcement.