

## MANAGEMENT AGREEMENT

THIS AGREEMENT is made on February 4, 2014 by and between Alabama Christian Radio, Inc. ("ACR") and TBTA Ministries ("TBTA"), both Alabama non-profit corporations.

### RECITALS

- A. "ACR" is the Federal Communications Commission ("FCC") licensee of non-commercial radio station WJHO (Fac. ID 121797) licensed to Alexander City, AL; and
- B. "ACR" desires that "TBTA" undertake the full management and operation of WJHO for and on behalf of "ACR".

NOW, THEREFORE, the parties hereto, for good and valuable consideration, agree as follows:

#### 1. MANAGEMENT

"TBTA" Hereby agrees to manage and operate the WJHO under the supervision and control of "ACR", as licensee. The management services provided herein shall include all aspects of the full operation and management of WJHO, including, but not limited to, the production and acquisition of programming, administration of all WJHO activities and personnel, employment and training of all personnel for the administration and operation of WJHO, financial and accounting services, engineering services, development of financial support, and compliance with all applicable laws and regulations.

#### 2. TERMS OF AGREEMENT

This Agreement shall commence on the first day after both party signatures are received, and it shall continue in full force and effect until TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) is paid to "ACR" in the form of a certified check, received on the first day of June of each year (or postmarked or hand delivered upon the first business day of June) beginning June 1, 2013, in the amount of FIFTY THOUSAND DOLLARS (\$50,000.00) a year. At the closing, which will be within the first 10 business days, any of which agreed upon by both buyer and seller, after the Commission grants the 314 Assignment Request filed by "ACR" and "TBTA", the BUYER "TBTA" will provide a promissory note ("Note") for the additional remaining amount to meet the \$250,000.00 agreed purchase price. Said "Note" shall be secured by the assets of WKRE, Facility ID 169863 in Argo, AL, and by the assets of WKUA, Facility ID 171636 in Moundville, AL. The FCC license of WJHO shall not be used as security for said "Note." The final payment will continue in installments of

\$50,000.00 by certified check, within the same parameters outlined and paid to "ACR" in total to \$250,000.00.

### 3. CANCELLATION

This Agreement may be cancelled upon ninety (90) days prior written notice by either party to the other. Notwithstanding the above, both parties agree that "ACR" may cancel this Agreement immediately without prior written notice if, in the sole judgement of "ACR", the station is being operated by "TBTA" in a manner contrary to the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or in a manner which may cause a loss of the FCC license to "ACR".

### 4. LICENSE RENEWAL ACTIVITIES

"ACR", as FCC licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, application for power increases, and such other filings and reports as may be required by the FCC. "TBTA" agrees to assist and advise "ACR" in all such activities and to prepare all necessary documents, filings and reports for the filing of FCC Forms in a timely manner.

### 5. RESPONSIBILITY OF LICENSEE

"ACR" and "TBTA" agree and acknowledge that the operation of the WJHO is in compliance with all laws, rules and regulations of the FCC, and is the ultimate responsibility of "ACR", as licensee. Nothing in this agreement shall be construed as limiting, transferring, assigning or relieving "ACR" of such responsibility.

"ACR" agrees it is also responsible for any and all improvements to the station as provided by their technical consultant and shared with "TBTA" as of the date of this signed contract, including the power upgrade equipment installation and paperwork filings necessary to meet all FCC rules, allowing the station to upgrade power from the current 10.5 KW to the new CP power of 21.0 KW.

### 7. STANDARDS OF OPERATION

"TBTA" agrees that it will manage and operate the WJHO in order that WJHO continue to meet or exceed the standards for qualification for Federal funding which have been or may be promulgated by the Corporation for Public Broadcasting. "TBTA" further agrees to manage and operate WJHO in such a manner in order to produce and to acquire radio programming of community value; to combine these programs into a nonprofit radio service of the highest quality for broadcast to the people in/around Alexander City, AL; to reflect the

culture, events, issues and ideas of Alabama and its people in radio broadcasts designed for a national and international audiences; and to provide an environment for the training of the next generation of broadcasting professionals.

## 8. INSURANCE

“ACR” shall maintain in full force and effect during the term of this Agreement - and any extensions or renewals thereof the following types of insurance and in the amounts set forth:

- (a) Broadcast libel insurance - at least \$1,000,000
- (b) General liability - at least \$1,000,000
- (c) Workers Compensation - as required by law

All such policies of insurance may not be reduced or terminated without at least thirty (30) days prior written notice to “TBTA”.

## 9. ACCOUNTING

“TBTA” shall keep full and adequate financial and accounting records of its activities in connection with WJHO and make such records, including, but not limited to bank records, ledgers, accounts, journals, and audits, available for inspection by “ACR” upon reasonable prior written notice.

## 10. RELATIONSHIP

Except as otherwise specifically set forth in this Agreement, no partnership, joint venture, employment, agency, or other relationship is created between the parties. “ACR” is not authorized to represent itself in any way as representing “TBTA”, nor is “TBTA” authorized to enter any contract for or on behalf of “ACR”, except with the prior written consent of “ACR”.

## 11. REPORTS

“TBTA” shall submit to “ACR” a bi-monthly written report of activities of the Station. Not more frequently than once per year “TBTA” shall include such report to “ACR” of their most current audited financial statement.

## 12. INDEMNIFICATION

“TBTA” shall indemnify “ACR” and hold “ACR” harmless from and against any and all claims, liens, liability, damage or loss arising from “TBTA’s” management

and operation of the station, WJHO or from any default in the performance of any obligation on "TBTA's" part to be performed under the terms of this Agreement.

### 13. 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 service if served personally on the party to whom notice is to be given, or on the second (2nd) day after mailing if mailed to the party to whom notice is to be given, by first class mail, postage prepaid, and addresses to the addressee at the address stated opposite its name below, or at the most recent address, specified by written notice, given to the sender by the addressee under this provision.

If to "ACR":

Pat Jarrel  
Alabama Christian Radio, Inc.  
908 Opelika Rd.  
Auburn, AL 36830

If to "TBTA":

Kenneth M. Layton  
TBTA Ministries  
5704 Pineglen Lane  
Irondale, AL 35210

### 14. HEADINGS

The paragraph headings in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph hereof.

### 15. SEVERABILITY

In the event that any provisions of this Agreement shall be held invalid, illegal, or unenforceable, the same shall not affect in any respect whatsoever the validity of any other provisions of this agreement

### 16. BINDING ON SUCCESSORS

The provisions of this Agreement shall, subject to the terms and conditions hereof, be binding upon and inure to the benefit of the successors and assignors of each party.

#### 17. COMPLETE AGREEMENT

This Agreement contains the entire agreement of the parties 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 all parties hereto.

#### 18. ATTORNEYS' FEES

Should any litigation be commenced between the parties hereto or their representatives concerning any provision of this Agreement or the rights and duties of any person or entity in relation thereof, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorneys' fees and court costs in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

#### 19. NO ASSIGNMENT

This Agreement and all of its rights and obligations may not be assigned by "TBTA" without the prior written consent of "ACR", which consent may be withheld at "ACR's" sole discretion.

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20. GOVERNING LAW

This Agreement shall be construed in accordance with, and governed by, the laws of the State of Alabama. IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement as of the date set forth.

“ACR”

Alabama Christian Radio, Inc.

By

Position

Date

Harrell  
President  
10-30-14

“TBTA”

“TBTA Ministries”

By

Position

Date

Keith M. Taylor  
Board Member  
10/30/14

# PROMISSORY NOTE

Principal amount: \$250,000.00, DATE 121214 - DRAFT

FOR VALUE RECEIVED, we, TBTA Ministries ("TBTA") promise to pay Alabama Christian Radio, Inc. ("ACR") the sum of TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00).

Repayment shall be made in yearly installments, consisting of \$50,000 per installment on the 1st day of June and continue until the principal is paid in full. OR, "TBTA" will pay one lump payment in lawful money of the United States at any time for the balance due.

"TBTA" agrees that until the principal owed under this promissory note are paid in full, this note will be secured by the assets of WKRE, Facility ID 169863 in Argo, AL and by the assets of WKUA, Facility ID 171636 in Moundville, AL. "TBTA" agrees the WJHO License will not be used as collateral.

This note may be prepaid by "TBTA" at any time in whole or in part without premium or penalty. "TBTA" promises to promptly inform "ACR" of any change in name or address. If "ACR" prevails in a lawsuit to collect on this note, "TBTA" will pay the "ACR" court costs, collection agency costs, and attorney's fees in an amount the court finds to be reasonable.

IN WITNESS WHEREOF, I set my hand under seal this \_\_\_ day of \_\_\_\_\_, 2014 and I acknowledge receipt of a completed copy of this instrument.

\_\_\_\_\_  
President Kenneth M. Layton of TBTA Ministries

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