

LOCAL MARKETING AGREEMENT

This Local Marketing Agreement ("Agreement") dated as of August 27, 2009 (the "Effective Date"), is made by and among PEOPLE OF ACTION, ("Licensee") and FAMILY LIFE BROADCASTING, INC. ("Programmer").

WHEREAS, Licensee is the licensee of and operates the radio broadcast station KGDP-FM (the "Station"); and

WHEREAS, (A) a Letter of Intent dated August 26, 2009 to purchase the assets comprising the Station from Licensee has been entered into by and among Family Life Broadcasting, Inc. and Licensee (the "LOI"), (B) Programmer wishes to present programming on the Station prior to such time as it acquires the Station, and Licensee has agreed to make available to Programmer broadcast time on the Station for the presentation of such programming pursuant to the terms hereof.

NOW, THEREFORE, for and in consideration of the mutual agreements, representations, warranties and covenants herein contained, and upon the terms and subject to the conditions hereinafter set forth, the parties hereto have agreed and do agree as follows:

1. Facilities.

(a) The parties agree that beginning at 12:00 a.m. on a date, after the Effective date, but not later than August 28, 2009, selected by Programmer (the "LMA Commencement Date") Programmer shall provide or arrange to provide programming (the "Programming") for the Station, which will originate from Programmer's own studios. On and after the LMA Commencement Date, Licensee agrees to make all air time transmission services for the Station available exclusively to Programmer and to broadcast, or cause to be broadcast, on the Station the Programming, all subject to the terms and conditions of this Agreement. During the period between the Effective Date and the LMA Commencement Date, Licensee shall not broadcast any programming on the Station.

(b) Licensee shall make available to Programmer the FM transmission system equipment associated with the Station and all telephone and other equipment and facilities of Licensee required or reasonably requested by Programmer from time to time to enable it and its personnel to perform all the duties, business and activities contemplated by this Agreement.

2. Payments. Programmer hereby agrees, beginning on and after the Effective Date and during the term hereof, to reimburse Licensee (an "Expense Reimbursement") for all of Licensee's monthly legitimate and prudent expenses in operating the Station as set forth in Exhibit B hereto. To the extent provided herein, Programmer shall receive a payment credit with respect to any Programming which Programmer makes available for broadcast during Brokered Hours (as defined in Section 5), but which is preempted by Licensee. Such credit shall be determined by multiplying the monthly Expense Reimbursement by the ratio of the number of hours (or fractions thereof) of such Programming preempted or not accepted during such calendar month to the total number of Brokered Hours (or fractions thereof) for such calendar month. In no event shall Programmer be entitled to receive consequential damages from Licensee for any preemption.

3. **Term.** The term ("Term") of this Agreement shall commence as of the Effective Date and continue until the earlier of (a) the Closing (as defined in the Asset Purchase Agreement) or (b) within five (5) days of the earlier of (i) expiration of the time period under the LOI for execution of the Asset Purchase Agreement ("APA") between the parties with no APA having been executed; or (ii) the termination or expiration of the APA.
4. **Programming Standards.** Programmer shall furnish or cause to be furnished, and Licensee shall cooperate in all reasonable respects to facilitate the furnishing of, Programming in accordance in all material respects with the Communications Act of 1934, as amended, and the rules and requirements of the Federal Communications Commission (the "Commission"), including, without limitation, the Commission's rules on plugola/payola, lotteries, contests, station identification, minimum operating schedule, political programming and political advertising rates; and the Programming shall include announcements and disclosures (including but not limit to station identification announcements, EAS announcements, and sponsorship disclosures) necessary for the Station to comply with the Commission's rules and requirements.
5. **Facilities.**
 - (a) Licensee hereby covenants that the Station shall operate in accordance with the authorizations issued to Licensee by the Commission. Throughout the term of this Agreement, Licensee shall make the Station available to Programmer for broadcast of Programming with substantially its present authorized facilities during Brokered Hours, subject to Licensee's rights to preempt Programming pursuant to Section 10. Programmer shall make available Programming for all Brokered Hours. "Brokered Hours" shall mean 168 hours per week, less up to five (5) hours in any calendar month, as Licensee may deem necessary for maintenance of the facilities of the Station. Licensee shall schedule downtime for maintenance on Sunday morning between the hours of 12 a.m. and 6:00 a.m. and shall provide Programmer with at least 48 hours prior notice of downtime for required maintenance to be performed during any other hours, except for emergency repairs.
 - (b) Licensee shall have the right and the obligation to broadcast such programming in addition to the Programming as Licensee shall determine to be appropriate in order to respond to ascertained local problems, issues and concerns. Such programming shall be broadcast at times agreed to by Licensee and Programmer.
 - (c) Licensee shall maintain the studios of and transmission facilities for the Station, the Station's general manager and such other employees of Licensee who are necessary for the operation of the Station in accordance with the FCC's rules and requirements, including, without limitation, the FCC's main studio rule. During the Term, Programmer shall have access to the studio and other space, equipment and facilities referred to herein 24 hours a day every day of the year. Licensee shall cooperate with Programmer in making such arrangements as Programmer shall request to deliver Programming, at Programmer's cost, for any remote location to the Station's transmitter sites.
 - (d) Licensee shall maintain all equipment used or useful for broadcasting by the Station in good working condition, consistent with good engineering practices and in compliance in all material respects with the applicable rules, regulations and technical standards of the Commission, and all capital expenditures required to maintain such

equipment and the current technical quality of the Station's signal shall be made in a timely fashion at the expense of Licensee. If the Station suffers any loss, reduction or damage of any nature to its signal or any of its transmission facilities which results in the interruption or reduction of service of such Station or the inability of such Station to operate with maximum authorized facilities and power, Licensee shall use its best efforts to effect such repairs as are necessary to restore full-time, full power operation of such Station with its maximum authorized facilities as soon as practicable.

6. **Handling of Mail.** Programmer shall furnish promptly to Licensee all communication (or as appropriate, copies thereof), including email, mail, cables, telegrams and summaries of telephone calls, received by Programmer that address any aspect of the station's programming or operation. Licensee shall review and furnish promptly to Programmer all mail, cables, or telegrams (or, as appropriate, copies thereof) received by Licensee that are intended for Programmer or relate to Programmer's responsibilities under this Agreement. Licensee shall be solely responsible for maintaining the Station's public files.

7 **Responsibility for Employees and Expenses.**

- (a) **Licensee's Responsibilities.** Licensee shall provide and be responsible for the Station's personnel necessary for the exercise of the Licensee's rights of oversight and control of the Station's operations, which shall consist of the persons set forth on **Exhibit A** hereto (the "Licensee Employees"). Licensee shall be responsible for the costs and expenses related to the operation of the Station, excluding any costs related to the production of Programmer's Programming or as otherwise provided in Section 8(b). Personnel utilized by Licensee in the performance of its obligations under this Agreement shall at all times remain in the employ of Licensee and subject to Licensee's control; and Licensee shall be responsible for all employee benefits and compensation and employment taxes with respect to Licensee Employees. Licensee will be responsible for payment of all of the Station's expenses necessary to fulfill Licensee's Commission obligations and to transmit the Programming and will be responsible for payment of the salaries, taxes, insurance and related costs for Licensee Employees in respect thereof. Without limiting the generality of the foregoing, Licensee will be responsible for all costs associated with the maintenance of the Station's towers, transmitters and antennae, electrical power at the Station's studio and from the studio to the transmitter site, lighting, heating and cooling at the studio and transmitter site, maintenance of the Station's local public records file, rent, and all other expenses associated with maintaining the Station's facilities. All expenses relating to the foregoing Licensee responsibilities shall be reimbursed by Programmer pursuant to Paragraph 1 and Exhibit B.

- (b) **Programmer's Responsibilities.** As of the LMA Commencement Date, Programmer shall employ and be responsible for the salaries, taxes, insurance, and related costs for the personnel used in the production of the Programming.

8. **Revenues.** Programmer shall retain all revenues from the broadcast or and from all other sources of revenue related to the Station, in each case during the Term.

9. **Operation of the Station.**

- (a) General. Notwithstanding anything to the contrary in this Agreement, Licensee shall have authority and power over the operation of the Station during the term of this Agreement. Licensee shall retain control, said control to be reasonably exercised, over the policies, programming and operations of the Station, including, without limitation, the right to decide in the good faith exercise of their sole discretion whether to accept or reject any Programming, the right to preempt any Programming 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 for compliance with the laws of the United States or the State of California or the rules, regulations, and policies of the Commission.
 - (b) Political Advertising. Licensee will oversee and take ultimate responsibility with respect to the provisions of equal opportunities and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer shall supply information to assist Licensee in complying with the requirements of federal law and shall provide all records and information required by the FCC to be placed in the respective public inspection file of the Station pertaining to the broadcast of political programming and announcements within the Programming, in accordance with the provisions of Sections 73.1943 and 73.3526 of the FCC's rules. To the extent necessary, Programmer shall release availabilities to Licensee to permit it to comply with the political broadcast rules of the FCC including, but not limited to, Section 315 of the Communications Act of 1934, as amended.
 - (c) Responsive Programming. Licensee shall at all times be responsible for documenting the Station's satisfaction of the Commission's requirements with respect to public service programming, for maintaining the political and public inspection files and the station logs (if any) of the Station, and for preparation of programs/issues lists. Licensee's right to broadcast programming to meet local problems, issues and concerns is established in Paragraph 5(b) herein. Licensee shall at all times be responsible for compliance with the Commission's main studio rules and policies. Programmer shall, upon reasonable request by Licensee, provide Licensee with information with respect such of Programmer's programs which are responsive to public needs and interest so as to assist Licensee in the preparation of required programming reports, and will provide upon request other information to assist Licensee's preparation of other records, reports and logs required by the Commission or other local, state or federal governmental agencies.
10. Special Events. Licensee reserves the right to preempt any of the broadcasts of Programmer's Programming and to use such preempted time for broadcast of special events deemed by Licensee in good faith to be of importance to its community of license, and consistent with Programmer's programs. In all such cases, Licensee shall give Programmer reasonable advance notice of its intention to preempt Programmer's Programming; provided however, that any revenues received as a result of such preemption shall be deemed irrevocably assigned to and shall promptly be remitted to Programmer, and Programmer shall not be entitled to payment credit pursuant to Section 2 of this Agreement for such preemption.
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, force majeure, or due to causes beyond the control of any party, shall not constitute a breach of this Agreement, no party shall be liable to any other party for such failure and Programmer shall receive no payment credit pursuant to Section 2(a) of this Agreement for such preemption.

12. **Right to Use Programming.** The right to use the Programming and to authorize its use in any manner and in any media whatsoever shall be, and remain, vested in Programmer.

13. **Certain Governmental Action.**

(a) In the event that a federal, state or local governmental authority orders the termination of this Agreement and/or orders the curtailment, in any manner material to the relationship between the parties hereto, of the provision of Programming by Programmer hereunder, and/or determines that other similar local marketing agreements, in whole or in part, are contrary to public or agency policy, at its option, Programmer may, at its expense, see administrative or judicial appeal of or relief from such order(s) (in which event Licensee shall cooperate with Programmer in such proceedings), or Programmer shall notify Licensee that it will terminate this Agreement pursuant to this Section 14. In the event of such termination, Licensee will be free to provide programming on the Station; Licensee shall be entitled to retain all revenues from such programming; and Licensee shall not be liable to Programmer for any reimbursement or damages. If the Commission designates the renewal application of the Station for a hearing as a consequence of this Agreement or for any other reason, Programmer shall cooperate and comply with any reasonable request of Licensee to assemble and provide to the Commission information relating to Programmer's performance under this Agreement.

(b) If this Agreement is challenged at or by the FCC or at or by the U.S. Department of Justice or the Federal Trade Commission, whether or not in connection with a license renewal application for the Station, Programmer and Licensee, through their respective counsel, shall jointly defend this Agreement and the parties' performance thereunder throughout all such proceedings. If portions of this Agreement do not receive the approval of the FCC staff, to the extent that such approval may be required, then the parties shall use their best efforts to reform this Agreement in such a manner as to maintain the economic benefit anticipated by each party or, at the option and expense of Programmer, seek reversal of the staff decision and approval from the FCC on appeal.

14. **Termination.** This Agreement may be terminated under the following circumstances:

(a) by Programmer, by giving written notice of termination to Licensee, if Licensee is in material breach of its obligations hereunder and has failed to cure such breach within thirty (30) days after receiving written notice of such breach from Programmer;

(b) by Licensee, by giving written notice of termination to Programmer, if Programmer is in material breach of its obligations hereunder and has failed to cure such breach within thirty (30) days after receiving written notice of such breach from Licensee;

(c) by mutual consent of the parties in writing;

- (d) by Programmer or Licensee upon the Closing of the transactions contemplated by the APA or the termination of the APA.
- (e) by Programmer or Licensee upon lapse of the LOI; or
- (f) by Licensee in the event of Programmer's failure to commence broadcast on the Station by August 26, 2009.
15. **Certifications.** Pursuant to Note 2(k)(3) to section 73.3555 of the FCC's rules, License, by the signature of its authorized representative to this Agreement, certifies that it maintains and will continue to maintain ultimate control over the Station's facilities, including specifically ultimate control over the Station's finances, personnel and programming as provided herein. Programmer, by the signature of its authorized representative to this Agreement, certifies that the arrangement complies with the provisions of §73.3555 of the Commission's Rules, 47 C.F.R. §73.3555.
16. **Public Announcements.** Licensee shall not make any public announcement or issue any press releases with respect to the existence of, the conditions and terms of and any other matter in connection with this Agreement, without the prior consent of Programmer of content and language of such announcement or release. Licensee acknowledges that announcements and direct or indirect communications concerning any changes, which Programmer may plan for the future operation of the Station prior to or after the Effective Date, may have a deleterious effect on the business, operation, and reputation of the Station and Programmer. Accordingly, Licensee agrees that neither it nor its employees, representatives or agents shall make any formal or information announcements to or communications with any employees of the Station or to any person with whom the Station do business without prior consent of Programmer.
17. **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall in any event be effected unless the same shall be in writing and signed by the party adversely affected by the waiver or modification, and then such shall be effective only in the specific instance and for the purpose for which given.
18. **No Waiver; Remedies Cumulative.** No failure or delay on the part of Licensee or Programmer 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. The rights and remedies of Licensee and Programmer herein provided are cumulative and are not exclusive of any right or remedies that it may otherwise have.
19. **Construction.** This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of laws, and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations of the Commission and all other government bodies or authorities presently or hereafter to be constituted.
20. **Headings.** The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.
21. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns, provided, however,

that neither Licensee nor Programmer shall assign or transfer its rights and benefits, nor delegate its duties and obligations under this Agreement without the prior written consent of the other party, which shall not unreasonably be withheld.

22. **Counterpart Signatures.** This Agreement may be executed in multiple copies, each of which shall constitute an original.
23. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery or (b) on the date of receipt (as shown on the return receipt) if mailed by registered or certified mail, postage prepaid and return receipt requested, or if sent by Federal Express or similar courier service, with all charges prepaid. All such notices, demands, and requests shall be addressed as follows:

If to Programmer:

Family Life Broadcasting, Inc.
7355 N. Oracle Rd.
Tucson, Arizona 85704
Fax: 520-469-7314
Attn: Dr. Randy L. Carlson, President
Facsimile: (520) 742-6979

with a copy to:

John Wilner, Esquire
Fleischman and Harding LLP
1255 23rd Street, N.W. Eight Floor
Washington, D.C. 20037
Facsimile: (202) 745-0916

If to Licensee:

People of Action
1416 Hollister Lane
Los Osos, CA 93401
Facsimile:

with a copy to:

Peter Gutmann, Esquire
Womble Carlyle Sandridge & Rice, PLLC
1401 I Street, NW, Seventh Floor
Washington, DC 20005-2225
Facsimile: (202) 261-0032

or to any other or additional persons and addresses as the parties may from time to time designate in writing delivered in accordance with this Section 23. Nothing in this Section shall preclude the delivery of notices by appropriate means other than those described above, including facsimile.

24. **Entire Agreement.** This Agreement embodies the entire agreement between the parties and there are no other agreements, representatives, warranties, or understandings, oral or

written, between them with respect to the subject matter hereof. No alterations, modifications or change of this Agreement shall be valid unless by like written instruments.

25. **Severability.** In the event that any of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable it shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein, subject to Programmer's right to terminate pursuant to Section 14 hereof.

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

Licensee

PEOPLE OF ACTION

By: Norwood J. Patterson
Name: Norwood J. Patterson
Title: President

Programmer

FAMILY LIFE BROADCASTING, INC.

By: _____
Name: Dr. Randy L. Carlson
Title: President

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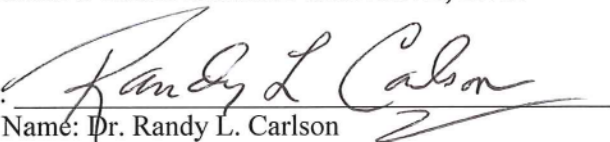
Licensee

PEOPLE OF ACTION

By: _____
Name: _____
Title: _____

Programmer

FAMILY LIFE BROADCASTING, INC.

By: 
Name: Dr. Randy L. Carlson
Title: President