

LOCAL MARKETING AGREEMENT

THIS LOCAL MARKETING AGREEMENT (“LMA” or “Agreement”), is made as of February 9, 2004 by and between AVE MARIA UNIVERSITY, INC. (“Ave Maria” or “Owner” or “Licensee”), a Florida non-profit corporation, and MERIDIAN BROADCASTING, INC. (“Meridian” or “Programmer”), a Florida corporation.

RECITALS

WHEREAS, Licensee wishes to retain Meridian to provide programming for radio station WNRW, San Carlos Park, Florida (“the Station”) pursuant to the terms and conditions set forth in this Agreement and in conformity with the Station’s policies and practices and the Federal Communications Commission’s (“FCC”) rules and regulations concerning such arrangements;

WHEREAS, Meridian will broadcast such programming and sell advertising that is in conformance with the Station’s policies and all FCC rules and regulations, including the requirement that the ultimate control of the Station be maintained by Licensee; and

NOW THEREFORE, for and in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, agree as follows:

1. Agreement Term.

The term of this Agreement commences on February 9, 2004 (“Commencement Date”) and terminates on February 9, 2007, unless earlier terminated in accordance with the provisions set forth herein.

2. Programmer’s Purchase of Airtime and Provision of Programming. During the term of this Agreement, Programmer shall provide programming, including

commercials, that it produces or owns to the Station twenty-four (24) hours per day Monday through Friday and for forty-six (46) hours during Saturday through Sunday. Licensee may broadcast up to two (2) hours of programming for the Station which is aimed at serving the needs and interests of the Station's community of license Sunday morning subject to Section 8 hereto. Programmer shall not be under any obligation to provide programming prior to the time the receiving antenna of the Station's studio transmitter link ("STL") is oriented towards the Programmer's Fort Myers, Florida studio facilities. In this connection, Programmer shall use its best efforts to orient the Station's STL receiving antenna toward Programmer's studio facilities before February 17, 2004.

3. Representations. The Licensee and Programmer each represents as to itself that it is authorized to enter into this Agreement and that this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with its terms. Programmer hereby represents and warrants to Licensee that Programmer is an experienced radio broadcast station owner and operator and is fully familiar with all pertinent legal requirements, including but not limited to, the Communications Act of 1934, as amended (the "Act"), and the Commission's rules, regulations and policies governing the operation of radio broadcast stations. Programmer will comply with all legal requirements, including but not limited to the Act and the Commission's rules, regulations and policies.

4. Consideration. During the term of this Agreement, Programmer shall pay Licensee the payments set forth on the Payment Schedule executed in connection herewith.

5. Licensee's Control of the Station.

(a) Licensee will have full authority, power and control over the management and operations of the Station during the term of this Agreement. Licensee will bear all responsibility for the Station's compliance with all applicable provisions of the Act, and the rules, regulations and

policies of the FCC, including without limitation, the retention of control over the policies, programming and operation of the Station, including the right to preempt programming which in its good faith judgment it deems unsuitable or contrary to the public interest or as Licensee deems reasonably necessary in order to permit the broadcast of programming which, in Licensee's reasonable opinion, is of greater local or national importance or which is specifically designed to address the problems, needs, and interests of the Station's community of license. Licensee shall be solely responsible for and pay in a timely manner all real and personal property taxes, mortgage fees and expenses and other real property costs, all transmitter site leases, any utilities (excluding telephone charges other than one telephone line to be dedicated to Licensee's use at the studio), the salaries, benefits, taxes and direct expenses of Licensee's employees, the costs of producing Licensee's public affairs programming, FCC regulatory fees required to be paid with respect to the Station, FCC filing fees paid for applications filed with respect to the Station, and all costs and expenses for the maintenance of all transmitter equipment. Programmer shall cooperate with and assist Licensee in complying with all FCC rules and regulations.

(b) Licensee retains ultimate control over the Station and its premises. Accordingly, all employees of Programmer present at the Station or on its premises must comply with the policies and rules promulgated by Licensee. In no event shall Programmer, or Programmer's employees, represent, depict, describe or portray Programmer as the Licensee of the Station. To this end, all employees of Programmer, whose work involves the Station, shall be informed as to Licensee's ultimate control over the Station and Programmer's subordinate capacity, and all printed materials and promotional announcements shall accurately describe all of the roles and responsibilities of Licensee and Programmer.

©) The Station's transmission equipment shall be maintained by Licensee in a condition consistent with good engineering practices and in compliance in all material respects with the Act and all other applicable rules, regulations and technical standards of the FCC. All capital expenditures reasonably required to maintain the technical quality of the transmission equipment and its compliance with applicable laws and regulations shall be made at the sole expense of Licensee in a timely fashion.

(d) Licensee shall employ at its expense a management-level employee at the Station and such other person for the Station as necessary to fulfill Licensee's duties hereunder and its obligations under the FCC's rules. A manager shall direct the day-to-day operations of the Station and shall report to and be accountable to Licensee. Licensee shall be responsible for the salaries, taxes, insurance and related costs for all personnel it employs at the Station.

(e) Licensee shall pay all regulatory fees, file all necessary applications, maintain the Station's local public inspection files as specified in Section 73.3526 of the FCC's Rules and Regulations and shall prepare and place in such inspection file all required documents including, but not limited to the Station's quarterly issues and program lists on a timely basis.

6. Programmer Responsibility.

(a) Programmer shall be solely responsible for all expenses incurred in the origination and/or delivery of its programming from any remote location and for all operating expenses involved in producing its programming and selling commercial time on the Station (including telephone expenses and expenses related to sales, marketing, promotion, advertising, billing and collections, and traffic). Programmer shall cooperate fully with Licensee in responding to any questions, comments, inquiries or complaints from any third party, including any governmental authority or agent thereof, that may relate to or arise from the Station or its operations,

including the programming. In the event of Programmer's receipt of any question, comment inquiry or complaint that may relate to or arise from the Station or its operations, Programmer shall promptly notify Licensee of the same.

(b) Programmer shall employ and be solely responsible for the salaries, taxes, insurance and related costs for all personnel employed by Programmer (including, without limitation, salespeople, traffic personnel, board operators and programming staff).

(c) Programmer shall cause the Station to transmit, subject to Licensee's supervision, any required tests of the Emergency Alert System.

(d) Programmer shall maintain and deliver to Licensee all 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 73.1943 and 73.3526 of the FCC's rules and agrees to broadcast sponsored programming addressing political issues, in accordance with the provisions of Section 73.1212 of the FCC's rules.

(e) Programmer's sale or use of commercial time on the Station shall conform to all federal and state laws governing the sale of political advertising on radio stations. At least ninety (90) days before the start of any primary or general election campaign, Programmer will clear with Licensee the rates to be charged political candidates for public office and rate cards to be sure that the rates and the rate cards are in conformance with all laws, including requirements for providing reasonable time to state and local candidates (as determined by the Licensee).

(f) When required by law, Programmer shall sell such political advertising time only at the Station's lowest unit rates. Within seven (7) days after the broadcast of political advertising, Programmer shall review the commercial spots that have aired on the Station, so as to insure that each political candidate was charged the lowest unit rate. In the event a refund or credit

is due, Programmer shall pay such refund or provide such credits within seven (7) days. The Programmer recognizes candidates' need to maximize their campaign funds, and thus will provide such rebates or credits on a more expeditious basis as the election day approaches in a manner that is consistent with FCC policy.

(g) Within twenty-four (24) hours of any request to purchase time on the Station on behalf of a candidate for public office or to support or urge defeat of an issue on an election ballot, Programmer will provide documentation of the request, and its disposition, to Licensee so that appropriate records can be placed in the Station's public files.

(h) In the event that Programmer fails to provide adequate broadcast time for the broadcast of paid political programming or advertising by legally qualified candidates for Federal elective office, Licensee shall have the right to preempt commercial announcements supplied by Programmer to make time available to these political candidates.

(i) Programmer shall furnish within its programming, on behalf of Licensee, all of the Station's identification announcements required by the FCC's rules. Programmer shall provide information with respect to any of its programming which is responsive to the public needs and interests of the area served by the Station so as to assist Licensee in the preparation of any required programming reports, and provide other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer agrees to perform the required transmitter readings and produce the station log for the Station.

(j) As further consideration for Licensee's provision of air time to Programmer pursuant to this Agreement, Programmer shall provide Licensee with such studio equipment, temporary studio space and temporary office space as Licensee may request so as to permit Licensee

to initiate programming, provide office space for its Station personnel and otherwise conduct its operations in compliance with the FCC's main studio rules and policies, it being the intention of the parties that Licensee will relocate its main studio facilities to a site on its campus at the earliest practicable time.

(k) Programmer will maintain in full force and effect with respect to the properties and employees utilized by it to fulfill its obligations under this Agreement a general liability policy, a casualty policy and a worker's compensation insurance policy, and will continue to maintain such insurance coverage in full force and effect throughout the term of this Agreement. Programmer will also maintain in full force and effect broadcaster's liability insurance naming Licensee as additional insured, and will continue to maintain such insurance coverage in full force and effect throughout the term of this Agreement. The hazards insured against by such policies, and the amount thereof, are to be substantially similar to the hazards insured against and the amounts of coverage carried by entities of established reputations engaged in the same or similar business as Programmer.

7. Contracts. Programmer shall perform and discharge all obligations of the Station under all trade agreements from and after the Commencement Date. Programmer will not enter into any third-party contracts, leases or agreements which will bind Licensee in any way except with Licensee's prior written approval.

8. Public Affairs Programming Notwithstanding any other provision of this Agreement, Programmer recognizes that Licensee has certain obligations to broadcast programming to meet the needs and interests of the community of license for the Station. Licensee shall have the right to air specific programming on issues of importance to the local community. Nothing in this Agreement shall abrogate the unrestricted authority of Licensee to discharge its obligations to the public and to

comply with the law, rules and policies of the FCC with respect to meeting the ascertained needs and interests of the public. Accordingly, Licensee may broadcast public affairs programming as outlined in Section 2 hereof. Licensee may air this programming in either one two (2) hour block or any combination of half hour or full hour blocks of time during the hours of 6 a.m. to 12 p.m. on Sunday.

9. Additional License Obligations. Although both parties shall cooperate in the broadcast of emergency information over the Station, Licensee shall also retain the right to interrupt Programmer's programming in case of an emergency or for programming which, in the reasonable good faith judgment of Licensee, is of overriding public importance. Licensee shall also coordinate with Programmer the Station's hourly station identification announcements to be aired in accordance with FCC rules. Subject to Section 6(j) above, Licensee shall continue to maintain a main studio, as that term is defined by the FCC, within the Station's principal community contour and shall staff it as required by the FCC. Licensee shall be responsible for the salaries, taxes, insurance and related costs for all personnel it employs at the Station and shall maintain insurance at its present levels covering the Station's transmission facilities. In addition, Licensee shall pay any federal regulatory fees, maintain its local public inspection file in the manner specified in Section 73.3526 of the FCC's Rules and Regulations and shall prepare and place in such public inspection file all required documents including, but not limited to, its quarterly issues and program lists on a timely basis. Licensee shall also receive and respond to telephone inquiries from the general public. Programmer shall provide Licensee with information with respect to certain of Programmer's programs which may be included in Licensee's quarterly issues and programs lists.

10. Broadcast Station Programming Policy Statement. Licensee has adopted and will enforce a Broadcast Station Programming Policy Statement (the "Policy Statement"), a copy of which appears as Attachment I hereto and which may be amended by Licensee to meet changing

regulatory requirements upon reasonable advance written notice to Programmer. All programs, commercials and other materials supplied by Programmer for broadcast over the Station shall comply with applicable federal, state and local law, regulation and policies and the Policy Statement, and shall be produced in accordance with reasonable quality standards established by Licensee. Licensee reserves the right to reject for broadcast any program, commercial, or other material supplied by Programmer if, Licensee reasonably determines that such program, commercial, or other material does not comply with the Policy Statement is otherwise unacceptable as a matter of law, regulation, public interest or good taste, or is injurious to the overall interests of the Licensee. Upon Licensee's reasonable request, Programmer shall provide a list of its advertisers to Licensee. If Licensee reasonably determines that any program, commercial or other material supplied by Programmer does not comply with the Policy Statement, or if Licensee reasonably determines that any program, commercial or other material is unsuitable or contrary to the public interest or injurious to the overall interests of the Licensee, either in its role as an FCC licensee or as a Catholic university, it may suspend or cancel such program, commercial or other material and shall provide written notice to Programmer of such decision.

11. Compliance with Copyright Act. Programmer represents and warrants to Licensee that Programmer has full authority to broadcast its programming on the Station and the Programmer shall not broadcast any material in violation of any law, rule, regulation or the Copyright Act. All music supplied by Programmer shall be: (i) licensed by ASCAP, SESAC or BMI; (ii) in the public domain; or (iii) cleared at the source by Programmer. Licensee will maintain as appropriate its own ASCAP, BMI and SESAC licenses for the performance of Programmer's programs and Programmer shall reimburse Licensee for the costs of such licenses obtained by Licensee within thirty (30) days when paid. The right to use the programming and to authorize its use in any manner shall be and

remain vested in Programmer.

12. Payola. Programmer agrees that neither it nor its employees or agents will accept any consideration, compensation, gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively, "Consideration"), whether or not pursuant to written contracts or agreements between Programmer and merchants or advertisers, unless the third party providing such compensation, gift or gratuity is identified in the program for which Consideration was provided as having paid for or furnished such Consideration, in accordance with the Communications Act and FCC requirements. Programmer agrees to execute and to provide Licensee with payola Affidavits from itself, and all of its employees and agents who are involved with providing programming on the Station, at such times as Licensee may reasonably request, substantially in the form attached hereto as Attachment III.

13. Sales. Programmer shall retain all revenues from the sale of advertising time within the programming it provides to Licensee and pay all expenses attributable thereto. Programmer may sell advertising, consistent with applicable rules, regulations and the Policy Statement, on the Station in combination with any other broadcast stations of its choosing. Programmer shall be responsible for payment of the commissions due to any national sales representative engaged by it for the purpose of selling national advertising which is carried during the programming it provides to Licensee. Licensee shall retain all revenues from the sale of the Station's advertising during the hours each week in which Licensee airs its own non-entertainment programming.

14. Local Marketing Agreement Challenge. If this Agreement is challenged at the FCC, counsel for Licensee and counsel for Programmer shall defend the Agreement and the parties' performance thereunder throughout all FCC proceedings with Programmer and Licensee each being

responsible for its own costs. If portions of this Agreement do not receive the approval of the FCC staff, then the parties shall reform the Agreement subject to their respective reasonable business judgment and advice of counsel or, at Licensee's or Programmer's option, seek reversal of the staff decision and approval from the full Commission on appeal.

15. Confidential Review. Prior to the provision of any programming by Programmer to Licensee under this Agreement, Programmer shall acquaint Licensee with the nature and type of the programming to be provided. Licensee, solely for the purpose of ensuring Programmer's compliance with the law, FCC rules and the Station's policies, shall be entitled to review and pre-empt at its discretion from time to time on a confidential basis any programming material and any other documents it may reasonably request, including all rate cards and disclosure statements related to Programmer's political advertising. Programmer shall promptly provide Licensee with copies of all correspondence and complaints received from the public as well as copies of all program logs and promotional materials.

16. Major Defaults: Termination.

16.1. Programmer's Major Defaults. The occurrence of any of the following, after the expiration of the applicable cure periods, if any, will be deemed to be a "Major Default" by Programmer under this Agreement:

(a) Programmer's failure to timely pay any of the consideration provided for in Section 4 and the Payment Schedule executed in connection herewith or other payments required hereunder;

(b) Except as otherwise provided for in this Agreement, the failure of Programmer to supply the programs for broadcast on the Station in accordance with Section 2 hereof;

c) Any termination of this Agreement by Programmer other than as permitted in Sections 16.4 and 16.5; or

(d) A voluntary filing by Programmer (or involuntary filing with respect to Programmer not vacated with ninety (90) days after such filing) of a petition for reorganization or dissolution under federal bankruptcy laws or under substantially equivalent state laws.

16.2. Licensee's Major Defaults. The occurrence of any of the following, after the expiration of the applicable cure periods, if any, will be deemed to be a "Major Default" by Licensee under this Agreement:

(a) Except as otherwise provided for in this Agreement, the failure of Licensee to broadcast the programs supplied by Programmer in accordance with Section 2 hereof;

(b) Any termination of this Agreement by Licensee other than as permitted in Sections 16.4 and 16.5; or

c) A voluntary filing by Licensee (or involuntary filing with respect to Licensee not vacated with ninety (90) days after such filing) of a petition for reorganization or dissolution under federal bankruptcy laws or under substantially equivalent state laws.

16.3. Cure Periods. The cure periods before any event listed in Section 16.1 or 16.2 shall become a Major Default are as follows:

(a) Payment by Programmer. The consideration to be paid to Licensee must be received by Licensee within five (5) days after Licensee gives written notice of non-payment to Programmer.

(b) Certain Matters. There shall be no cure period for:

(1) a termination by Programmer described in Section 16.1c); or

(ii) a termination by Licensee described in Section 16.2(b) hereof.

c) Programs and Broadcast Matters . With respect to Programmer's failure to provide programs referred to in Section 16.1(b) hereof or Licensee's failure to broadcast programs referred to in Section 16.2(a) hereof, the period allowed for cure shall be ten (10) business days from the giving of written notice of such failure to the defaulting party by the non-defaulting party.

(d) Other Matters With respect to all matters capable of being cured other than those described in Sections 16.3(a), 16.3(b) or 16.3(c) above, the cure period shall be twenty (20) business days after written notice to the defaulting party is given by the non-defaulting party or, with respect to matters that through the exercise of reasonable diligence cannot be cured within such ten (10) day period, such longer period not to exceed ninety (90) days as is reasonably necessary to effect such cure through the exercise of reasonable diligence.

16.4. Termination Upon Occurrence of Major Default. Upon the occurrence and continuation of a Major Default the non-defaulting party may terminate this Agreement by giving written notice to the defaulting party within sixty (60) days of such occurrence, provided that the non-defaulting party has not also committed a Major Default hereunder which has not been waived. Such written notice shall specify a termination date which is not less than seven (7) days nor more than ninety (90) days from the date such notice is given. In the event the non-defaulting party does not exercise such right of termination by giving such written notice within such sixty (60) day period, then the Major Default giving rise to such right of termination shall be deemed waived and the Agreement shall continue in full force and effect.

16.5 Termination Upon Sale. Upon closing of the sale of the Station to Programmer, this Agreement shall terminate.

17. Liabilities Upon Termination.

(a) Programmer shall be solely responsible for all of its liabilities, debts and obligations incident to its purchase of broadcast time hereunder, including, without limitation, accounts payable and unaired advertisements, but not for Licensee's federal, state, and local tax liabilities associated with Programmer's payments to Licensee as provided herein. Upon termination pursuant to Section 16.4, Licensee shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities, provided that Licensee agrees that it will cooperate reasonably with Programmer to discharge in exchange for reasonable compensation any remaining obligations of Programmer in the form of air time following the termination date. At the date of termination, Programmer shall return to Licensee any equipment or property of the Station used by Programmer, its employees or agents, in substantially the same condition as such equipment existed on the Commencement Date, shall restore Licensee's technical facilities to substantially the same condition as such facilities existed on the Commencement Date, ordinary wear and tear excepted, shall reassign to Licensee all contracts and agreements relating to the Station which were assumed from Licensee by Programmer upon the Commencement Date, and shall otherwise take such actions to restore to the extent then practicable the parties hereto to their respective positions prior to the Commencement Date.

(b) Upon termination of this Agreement pursuant to Section 16 or as a result of the expiration of the term of this Agreement, each party shall be free to pursue any and all remedies available to it at law, in equity or otherwise. All amounts accrued or payable to Licensee up to the date of termination which have not been paid shall be immediately due and payable. Programmer shall, in addition to its other legal and equitable rights and remedies under this Agreement or under applicable law, be entitled immediately to cease providing any further programs to be broadcast on

the Station, and all amounts which have been prepaid to Licensee for any partial month beyond the termination shall be immediately due and payable to Programmer. Programmer shall return all confidential information with respect to the Station to Licensee.

Upon termination, Programmer shall be responsible for debts and obligations resulting from the use of the Station's air time and equipment by Programmer including, without limitation, accounts payable and net barter balances relating to the period on and after the date of this Agreement and up to the termination of this Agreement and shall be entitled to the revenues and other credits for that period.

18. Licensee's Indemnification. Licensee shall indemnify, defend, hold and save Programmer harmless from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses, including counsel fees, of every kind, nature, and description, including libel, slander, illegal competition or trade practices, or infringement of trade marks or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights arising out of:

(a) Licensee's operation of the Station (not including the activities of Programmer) under this Agreement; and

(b) Breach of any warranty, representation, covenant, agreement or obligation of Licensee's contained in this Agreement.

19. Programmer's Indemnification. Programmer shall indemnify, defend, hold and save Licensee harmless from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses, including counsel fees, of every kind, nature, and description, including libel, slander, illegal competition or trade practices, or infringement of trade marks or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights arising out of:

- (a) the programming furnished by Programmer under this Agreement;
- (b) the actions or failure to act of its employees or agents under this Agreement;

and

c) breach of any warranty, representation, covenant, agreement or obligation of Programmer contained in this Agreement.

20. Procedure for Indemnification. The party seeking indemnification under this Agreement (“Indemnitee”) shall give the party from whom it seeks indemnification (“Indemnitor”) prompt notice, as provided herein, of the assertion of such a claim provided, however, that the failure to give notice of a claim within a reasonable time shall only relieve the Indemnitor of liability to the extent it is materially prejudiced thereby. Promptly after receipt of written notice, as provided herein, of a claim by a person or entity not a party to this Agreement, the Indemnitor shall assume the defense of such claim; provided, however, that:

(a) If the Indemnitor fails, within a reasonable time after receipt of notice of such claim, to assume the defense thereof, the Indemnitee shall have the right to undertake the defense, compromise, and settlement of such claim on behalf of and for the account and risk of Indemnitor, subject to the right of the Indemnitor (upon notifying the Indemnitee of its election to do so) to assume the defense of such claim at any time prior to the settlement, compromise, judgment, or other final determination thereof;

(b) If in the reasonable judgment of the Indemnitee, based upon the advise of its counsel, a direct or indirect conflict of interest exists between the Indemnitee and Indemnitor, the Indemnitee shall (upon notifying the Indemnitor of its election to do so) have the right to undertake the defense, compromise, and settlement of such claim on behalf of and for the account and risk of Indemnitor (it being understood and agreed that the Indemnitor shall not be entitled to assume the

defense of such claim);

c) If the Indemnitee in its sole discretion elects, it shall (upon notifying the Indemnitor of its election to do so) be entitled to employ separate counsel and to participate in the defense of such claim, but the fee and expenses of counsel so employed shall (except as contemplated by clauses (a) and (b) above) be borne solely by Indemnitee;

(d) The Indemnitor shall not settle or compromise any claim or consent to the entry of any judgment that does not include as an unconditional term thereof the grant by the claimant or plaintiff to each Indemnitee of a release from any and all liability in respect thereof; and

(e) The Indemnitor shall not settle or compromise any claim in any manner, or consent to the entry of any judgment, that could reasonably be expected to have a material adverse effect on the Indemnitee.

21. Dispute Over Indemnification. If upon presentation of a claim for indemnity hereunder, the Indemnitor does not agree that all, or part, of such claim is subject to the indemnification obligations imposed upon it pursuant to this Agreement, it shall promptly so notify the Indemnitee. Thereupon, the parties shall attempt to resolve their dispute, including where appropriate reaching an agreement as to that portion of the claim, if any, which both concede is subject to indemnification. To the extent that the parties are unable to reach some compromise within thirty (30) days thereafter, the parties shall be free to pursue all appropriate legal and equitable remedies.

22. Programmer's Remedies for Operational Deficiencies. Except as set forth in this Section 23, and except for reductions in power or interruptions occurring between the hours of 12:00 midnight and 6:00 a.m. as a result of maintenance or repairs or during such periods that the Station is operating from its authorized auxiliary antenna, if the normal broadcast transmissions of the

Station are interrupted, interfered with, or in any way impaired so that the Station (I) is operating at less than 90% of its authorized power (ii) is utilizing an antenna at a height more than four (4) meters below the licensed height or (iii) is off the air, or in the event that Licensee preempts Meridian's programming, Programmer shall be entitled to an equitable reduction in the amount of its monthly fee which is proportionate to the period of time that the Station's operations are deficient, the Station is off the air, or the Programmer's programming is preempted.

23. Force Majeure. Any failure or impairment of the Station's facilities or any delay or interruption in the broadcast of programs, or failure at any time to furnish facilities, in whole or in part, for broadcast due to Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Licensee (including any obligation of Licensee to reduce power or suspend operation to avoid occupational exposure to harmful RF radiation), shall not constitute a breach of this Agreement and Licensee will not be liable to Programmer.

24. Other Agreements. During the term of this Agreement, Licensee will not enter into any other local marketing, program provision, local management service or similar agreement with any third party with respect to the Station.

25. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assignees, including specifically any purchaser of the Station from Licensee. Neither party may assign its rights without the prior written consent of the other party which consent shall not be unreasonably withheld.

26. Entire Agreement. This Agreement, and the Attachments hereto, embody the entire agreement and understanding of the parties and supersede any and all prior agreements, arrangements and understandings relating to matters provided for herein. Except as is set forth in Section 16.4,

above, no amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the parties.

27. Taxes. Licensee and Programmer shall each pay its own ad valorem taxes, if any, which may be assessed on such party's respective personal property for the periods that such items are owned by such party. Each party shall be responsible for any sales tax imposed on advertising aired during the programming provided by that party.

28. Headings. The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

29. Governing Law. The obligations of Licensee and Programmer are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Act and the Rules and Regulations of the FCC. The construction and performance of the Agreement will be governed by the laws of the State of Florida.

30. Notices. Any notice, demand or request 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 on the date of personal delivery; the date of telecopy transmission as indicated on the telecopier transmission report, provided that any telecopy transmission shall not be effective unless a paper copy sent by way of an overnight delivery service on the date of the telecopy transmission is delivered; on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested; on the business day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery and shall be addressed to the following addresses:

To Programmer: Meridian Broadcasting, Inc.
2824 Palm Beach Boulevard
Fort Myers, Florida 33916
Attention: Mr. Joseph Schwartzel
Telecopier number: (941) 332-0767

To Licensee: Ave Maria University, Inc
1025 Commons Circle
Naples, FL 34119
Attention: Fr. Joseph Fessio, S.J.
Telecopier number: (415) 387-0896

Either party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this paragraph.

31. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

32. Certifications.

(a) Control of Station. Licensee hereby verifies that it will maintain control of the Station and its facilities, including specifically control over the Station's finances, personnel and programming during the term of this Agreement.

(b) Compliance with Ownership Rules. Programmer hereby verifies that the arrangement contemplated by this Agreement complies with the provisions of Section 73.3555(a), c) and (d) of the rules and regulations of the FCC.

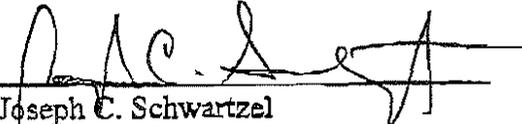
33. No Joint Venture. The parties agree that nothing herein shall constitute a joint venture or partnership between them.

34. Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto and their respective successors and assigns any rights,

remedies, obligations, or liabilities under or by reason of this Agreement.

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

MERIDIAN BROADCASTING, INC.

By: 
Joseph C. Schwartzel
President

AVE MARIA UNIVERSITY, INC.

By: _____
Fr. Joseph Fessio, S.J.
Chancellor

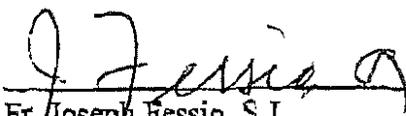
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MERIDIAN BROADCASTING, INC.

By: _____
Joseph C. Schwartzel
President

AVE MARIA UNIVERSITY, INC.

By:  _____
Fr. Joseph Fessio, S.J.
Chancellor

ATTACHMENT II

BROADCAST STATION PROGRAMMING POLICY STATEMENT

Programmer agrees to cooperate with Licensee in the broadcasting of programs of the highest possible standard of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs. Further Programmer agrees that all material broadcast on the Station shall comply with all federal, state and local applicable laws, rules and regulation.

I. No Plugola or Payola. The broadcast of any material for which any money, service or other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the Programmer, from any person, shall be prohibited, unless, at the time the same is broadcast, it is announced as paid for or furnished by such person.

II. Political Broadcasting. Licensee shall retain ultimate responsibility for ensuring Station compliance with the FCC's political programming rules. To permit Licensee to exercise this responsibility, Programmer agrees that, within thirty (30) days of the Commencement Date, Programmer shall provide Licensee with a written political advertising disclosure statement which fully and accurately discloses how the Programmer sells programming and advertising time and which makes parties purchasing political programming and advertising time fully aware of the lowest unit charge provisions of Section 315 of the Act. In addition, at least thirty (30) days before the start of any primary or election campaign, Programmer will clear with the Station's general manager the rates Programmer will charge for the time to be sold to candidates to make certain that the rate charges are in conformance with the applicable law and Station's policies.

III. Required Announcements. Programmer 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 Licensee Station's policies.

IV. No Illegal Announcements. No announcements, broadcasts or promotions prohibited by federal, state or local law shall be made over the Station. This prohibition specifically includes, but is not limited to, any and all programming or other broadcast material concerning (I) tobacco or alcohol related products or (ii) internet or other offshore gaming which is unlawful. The airing of any broadcast material concerning contests, lotteries or games must be conducted in accordance with all applicable law, including FCC rules and regulations. Any obscene, indecent, or fraudulent programming is prohibited. All sponsored programming or other broadcast material must be identified in accordance with applicable law, including FCC rules and regulations.

V. Licensee Discretion Paramount. In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the Rules and Regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any programs, advertising or other material proposed to be presented or being presented over the Station, which are in conflict with Station's policies or which, in Licensee's or its general manager's judgment, would not serve the public interest.

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

ATTACHMENT III

PAYOLA AFFIDAVIT

City of _____)
County of _____) §:
State of _____)

I, _____, having first been duly sworn, hereby state that I have read and will comply with the provisions of Section 317 and 507 of the Communications Act of 1934, as amended, copies of which are attached hereto, I also have read and will comply with the provisions of the Commission’s Sponsorship Identification Rule (73.1212), a copy of which is attached hereto.

I also will comply with the policy of this Station, _____ (insert call letters here), which prohibits every employee having any voice in the selection of broadcast matter from (a) engaging in any outside business or economic activity which would create a conflict of interest in the selection of broadcast matter; (b) accepting any favors, loans, entertainment or other consideration from persons seeking the airing of any broadcast matter in return thereof, and c) promoting over the air (except by means of an appropriate commercial announcement) any activity or matter in which the employee has a direct or indirect financial interest. I understand that receiving or agreeing to receive anything of value from a third party for the broadcast of any program material over the Station is a crime, unless the agreed payment is disclosed to the Station before broadcast of the program material. This crime, commonly called “payola”, is punishable by one year in prison and a fine of up to \$10,000.

During the past year, I have not been promised or paid anything of value directly or indirectly by a third party for the broadcast of any programming material over the Station.

Affiant

The foregoing instrument was acknowledged before me this ____ day of _____, 2004 by _____, who is personally known to me or who has produced _____ as identification.

Notary Public

My commission expires: _____