

AFFILIATION AND OPERATION AGREEMENT

THIS NETWORK AFFILIATION AGREEMENT (this “Agreement”) is made as of June 3, 2011, between Fort Wayne Catholic Radio Group, Inc., dba Redeemer Radio, an Indiana nonprofit corporation (“Redeemer”), and Club 1915, Inc., an Ohio nonprofit corporation operated by members of a Knights of Columbus council in Bryan, Ohio (the “Knights”) (collectively, the “Parties”).

RECITALS

A. WHEREAS the Knights hold the federal broadcast permit (the “Permit”) issued by the Federal Communications Commission (the “FCC”) authorizing construction of a new noncommercial educational (“NCE”) FM radio broadcast station, WRRO Edon, Ohio, (FCC Facility Identifier 175485) (the “Station”);

B. WHEREAS the Knights seek the benefit of affiliation with an entity that may provide financial and administrative assistance in the construction and operation of the Station for the purpose of providing radio programming primarily in a “Catholic talk” format;

C. WHEREAS Redeemer seeks to expand the coverage area in which its Catholic talk programming is received consistent with its own evangelistic and catechetical purposes;

D. WHEREAS Redeemer has adequate resources and experience in establishing viable broadcast stations operating in a Catholic talk format, such that Redeemer can expedite the purchasing of equipment, construction of the Station, and the performance of many other tasks potentially delegated by the Knights in order to operate the Station in a cost-effective manner;

E. WHEREAS at all times subsequent to the completion of this agreement, Redeemer desires to undertake such daily operational tasks at the Station which may be delegated to Redeemer by the Knights, provided that control of the Permit and all other authorizations issued by the FCC (the "Broadcast Authorizations"), as well as ownership of the non-license assets used or useful in the operation of the Station (collectively, the "Station Assets"), will be retained by the Knights as required by applicable provisions of Communications Law;

F. WHEREAS the Knights have concluded that implementation of this Agreement will serve the interests of the listening public by facilitating the provision of a diverse source of programming to the residents within the Station's service area (the "Community").

G. WHEREAS Redeemer's assistance with respect to the Station is subject to the Communications Act of 1934, as amended, and the published rules, regulations and policies of the FCC (collectively, the "Communications Law"); and

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises set forth herein, the sufficiency of which the Parties hereto acknowledge, the Knights and Redeemer hereby agree as follows:

1 Term. The term (the "Term") of the Agreement shall begin on or about March 1, 2011, or on such other date as the parties may agree in writing (the "Commencement Date"), and continue until 11:59 PM of the last business day six (6) years thereafter, unless otherwise terminated pursuant to this Agreement.

2 Affiliation. For the duration of the Term, Redeemer shall provide the Knights with all services required to construct the Station on the terms set forth herein. After construction is completed, Redeemer shall provide the Knights with all tasks that may be delegated by the Knights pursuant to Communications Law where such tasks are necessary or desired by the Parties in order to facilitate economically feasible operations of the Station, provided that the Knights shall retain ownership of the Station Assets and control of the policies that determine programming, personnel, and financial decisions as required by Communications Law. Redeemer shall reimburse the Knights for all costs associated with the construction and operation of the station.

3 Programming. Pursuant to the Knights' determination of the programming that will prove responsive to the interests and needs of the Community, Redeemer agrees to operate the Station within the following parameters: (a) A daily 30-second announcement for the Knights will be broadcast on the Station and will be changeable on biweekly basis. The announcements may include (without limitation) special promotions of Knight events, membership recruitment, and general information about the religious fraternal organization, the Knights of Columbus; (b) Broadcast of a community calendar, including upcoming Knights events; (c) Broadcast of a local program featuring the Knights, to consist of as much as thirty (30) minutes of programming to air as often as once per week, with Redeemer facilitating the production of such programming, provided that the programming shall not be broadcast unless the quality of its production is consistent with that of the other programming on the Station and provided that Redeemer will maintain discretion as to the day and time at which the Knights-hosted programming shall be broadcast, provided that the provisions of Sections 3(a), 3(b), and 3(c) shall be satisfied within a period beginning at 6 AM and concluding each day at 10 PM. Nothing herein shall be construed as

limiting in any way the Knights' rights and obligations as the permittee or licensee of the Station to make the ultimate programming decisions for the Station, unless and until an assignment of the Station Assets consistent with the requirements of Communications Law occurs. The Knights shall remain responsible for ensuring that the programming broadcast on the Station are responsive to the interests and needs of the Community and are consistent with the public interest, provided that both Parties acknowledge and agree that a Catholic talk format similar to the programming historically and consistently offered by Redeemer is inherently responsive to the interests and needs of the Community and to the public interest. The Knights shall retain the authority, in its sole discretion, to reject and refuse to transmit any program produced or proposed by Redeemer that the Knights in good faith deem to be contrary to the public interest, provided that the Knights shall notify Redeemer, unless such notice is impractical or impossible, at least one week in advance of any preemption of programming that Redeemer plans to broadcast. Moreover, Redeemer may not change the programming format of the Station without the advance approval of the Knights, which approval shall not be unreasonably withheld, provided that the Knights hereby acknowledge that minor adjustments to the programming schedule do not constitute a change in programming format and thus do not require prior approval. The Knights acknowledge and agree that all rights, title and interest in and to any of Redeemer's programming, including the right to authorize the use of Redeemer's programming in any manner and in any media, shall remain vested at all times solely in Redeemer.

4 Responsiveness to the Community. To facilitate the Knights' obligation to ensure that the Station is being operated in a manner responsive to the interests and needs of the Community, the Knights shall be allowed to participate in any advisory board associated with Redeemer.

Redeemer shall provide to the Knights a quarterly documentation of the programming it has broadcast which address the problems, needs and interests of the Station's community of license and secondary service area, with particular attention to those community issues which the Knights have identified as significant, and such documentation shall be placed in the Station's public inspection file in a timely manner pursuant to the requirements of Communications Law. Redeemer shall, in consultation with the Knights, provide local news and other programming that is responsive to the needs and interests of the Community. Redeemer agrees that if, in the sole judgment of the Knights or its general manager, Redeemer does not comply with these standards, the Knights may suspend or cancel any program deemed by the Knights not to be in compliance. The programming broadcast on the Station shall meet applicable industry standards for technical quality.

5 Reimbursement of Costs. Within 10 business days of the Commencement Date, the Knights shall open a bank account (the "Account") from which it shall disburse funds as necessary to pay for the costs incurred during the construction and operation of the Station. Redeemer shall make an initial deposit of at least Five Thousand Dollars (\$5,000.00) into such account and shall continue to replenish the funds as necessary to provide a reimbursement fund for the Knights, such that Redeemer will use this mechanism to reimburse the Knights for all expenses or obligations of any kind or nature relating to the construction and operation of the Station immediately as such expenses are paid by the Knights. The Knights shall not disburse any of the funds in the Account unless and until an expense item incurred in the construction or operation of the Station is within thirty (30) days of becoming due. Moreover, the Knights shall make reasonably available to Redeemer records of the disbursements from the Account and such supporting documentation as

may prove necessary or helpful in ensuring to Redeemer's satisfaction that the funds in the account are being used by the Knights only to fund legitimate expenses incurred in connection with the construction or operation of the radio station. Absent such assurance, Redeemer's obligation to continue funding the Account will be suspended until such time as Redeemer is reasonably satisfied that the funds in the Account are being used exclusively to support the radio station.

6 Option to Purchase. In consideration of the reimbursement of costs incurred to construct and operate the Station, Redeemer shall have the option in its sole discretion, at any time following the four year anniversary of the Station's initiation of broadcast operations and for as long as this Agreement or any renewal thereof is in effect, to acquire the Station Assets, including the Broadcast Authorizations, at a cost not to exceed the expenses incurred by the Knights in the prosecution of their application, or construction and operation of the station, and for which the Knights have not been reimbursed previously, provided that no such assignment shall occur unless and until the consent of the FCC is received.

7 Representations, Warranties, Covenants and Indemnifications of Redeemer. Redeemer represents and warrants to the Knights, and covenants with the Knights, as follows: (a) Redeemer has the legal right, power and authority to enter into this Agreement and to perform its obligations hereunder fully, and Redeemer's performance hereunder does not and shall not, with the passage of time or provision of notice (or both), violate the terms of any other agreements by which it is bound or to which it is a party; (b) the programming that Redeemer broadcasts on the Station shall comply with Communications Law and with all programming standards established by the Knights with respect to the Station; (c) Redeemer shall maintain the transmission facilities and equipment of the

Station in a condition consistent with good engineering practice and in compliance with the rules, regulations and technical standards of the FCC; (d) Redeemer shall forward to the Knights, within seventy-two (72) hours of receipt by Redeemer, any letter from a member of the general public addressing the Station or its programming, or other documentation which comes into Redeemer's custody which is required to be included in the Station's public inspection files or which would reasonably be deemed of importance to the Knights; (e) Subject to oversight by the Knights and consistent with the Knights' ultimate responsibility for Station compliance with Communications Law, Redeemer shall maintain appropriate public inspection files at its main studio and shall, from time to time, place such documents in these files as may be required by present or future FCC rules and policies; and (f) Redeemer shall perform all the tasks delegated to it in the construction and operation of the Station consistent with the requirements of Communications Law and hereby indemnifies the Knights against all claims, suits, actions and demands (including without limitation any forfeitures that could be assessed by the FCC) for failure to operate the Station in accordance with this Agreement, except to the extent any such failure is caused in whole or in part by the actions or inaction of the Knights.

8 Representations, Warranties and Covenants of the Knights. The Knights represent and warrant to Redeemer, and covenant with Redeemer, as follows: (a) the Recitals set forth above are true and accurate; (b) the Knights have the legal right, power and authority to enter into this Agreement and to perform the Knights' obligations hereunder fully; (c) the Knights' performance hereunder does not and shall not violate the terms of any agreement by which it is bound or to which it is a party; (d) the Knights shall retain, on a full-time basis, a manager who shall direct the day-to-day operations of the Station, and a staff employee who shall provide a fulltime staff

presence at the Main Studio. The Station shall also have a Chief Operator (as defined by the FCC's rules), who shall be the same person as the Station's General Manager unless otherwise agreed between the parties, and who may be an employee of the Redeemer or of the Knights; and (e) the Knights shall maintain appropriate liability, fire, general liability and extended coverage insurance in amounts reasonably required to protect the parties hereto from losses from liability for personal injury, libel and other matters typically covered by insurance written for broadcast stations, as well as from loss by theft, fire, and other causes to the Station equipment. All of the costs incurred by the Knights in the execution of the obligations as set forth in this Section 8 shall be recoverable only from the reimbursement Account that Redeemer shall replenish as necessary, such that the Knights shall not have to expend revenue unrelated to the Station in the construction or operation of the Station.

9 Conditions to Commencement by Redeemer. The obligations of Redeemer hereunder are, at its option, subject to satisfaction, at or prior to the Commencement Date, of each of the following conditions: (a) the representations, warranties and covenants of The Knights made in this Agreement shall be true and correct in all respects as of the Commencement Date, (b) the covenants and agreements to be complied with and performed by the Knights at or prior to the Commencement Date shall have been complied with and performed in all respects; and (c) no order or temporary, preliminary or permanent injunction, restraining order or stay pending appeal shall have been entered by any governmental authority, court, commission or agency which prohibits or materially restrains the transactions contemplated by this Agreement.

10 Conditions to Commencement by the Knights. The obligations of the Knights hereunder are, at its option, subject to satisfaction, at or prior to the Commencement Date, of each of the following conditions: (a) the representations, warranties and covenants of Redeemer made in this Agreement shall be true and correct in all respects as of the Commencement Date, (b) the covenants and agreements to be complied with and performed by Redeemer at or prior to the Commencement Date shall have been complied with and performed in all respects; and (c) no order or temporary, preliminary or permanent injunction, restraining order or stay pending appeal shall have been entered by any governmental authority, court, commission or agency which prohibits or materially restrains the transactions contemplated by this Agreement.

11 Early Termination; Effect of Termination. Either party may terminate this Agreement, provided such party is not then in default of any of its material obligations hereunder, if the other party is in default of any of its material obligations hereunder and has not cured such default within thirty business days after receipt of written notice of default from the terminating party. Moreover, this Agreement shall terminate automatically if this Agreement is declared invalid or illegal in whole by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction), whether or not such order or decree has become final and no longer subject to further administrative or judicial review; provided, however, that if such order or decree only invalidates part of this Agreement, the parties shall cooperate in amending this Agreement so that the offending part may be stricken or revised, if possible, so as to comply with applicable law and to provide to each of the parties the essential benefits contemplated hereby. If good faith cooperation between the parties for a period of sixty days does not lead to satisfactory resolution of the noted invalidity or illegality, either party may thereafter give notice of termination hereof. This

Agreement shall terminate automatically upon the consummation of any sale of the Station Assets to Redeemer. In the event of termination hereunder, the Knights shall be under no further obligation to make available to Redeemer any further broadcast time or broadcast transmission facilities, and Redeemer shall have no further obligation to make any payments to the Knights hereunder except for any reimbursement payments then due but not yet paid. In the event the Knights terminate this Agreement and Redeemer has not materially breached the Agreement and then failed to cure such a breach in a timely manner, the Knights shall owe to Redeemer a monthly payment of Two Thousand Dollars (\$2,000.00) continuing until all funds deposited by Redeemer into the reimbursement Account are repaid in full.

12 Specific Performance and Breach. The Knights further acknowledge that no remedy excepting specific performance can make Redeemer whole in the event early termination or a breach of this Agreement prevents Redeemer from exercising its Option to Purchase the Station as Redeemer has acquired such Option herein, and the Knights therefore waive any objection to Redeemer's right to seek specific performance of the Option. The parties stipulate that in the event of the Knights' uncured breach of this Agreement and in the event Redeemer at its sole option declines to seek specific performance, the Knights shall owe to Redeemer liquidated damages in the amount equal to the total of all payments to the Knights into the Account. The Knights will be in breach of this Agreement in the event no reasonable efforts to seek FCC approval for an assignment of the station's license has occurred within sixty (60) days of Redeemer providing written notice of its intention to exercise the Option, or in the event the Knights refuse to consummate such assignment in a timely manner if and when the FCC issues such consent. Failure

by the Knights to cure such default within twenty (20) days shall, the parties acknowledge, constitute a breach of the Agreement.

13 Regulatory Requirements. Notwithstanding anything to the contrary set forth in this Agreement, the Knights shall be solely responsible for the management, operation and regulatory compliance of the Station, and Redeemer shall not exercise any ultimate control over the day-to-day operations of the Station.

14 Payola/Plugola. Neither Redeemer nor its agents, employees, consultants or personnel shall 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 Redeemer and merchants or advertisers, unless the payer is identified in the program for which Consideration was provided as having paid for or furnished such Consideration, in accordance with Communications Law.

15 Notices. All notices and other communications permitted or required hereunder shall be in writing and shall be given by (a) personal delivery, (b) U.S. certified mail, (c) a nationally recognized overnight carrier, or (d) facsimile, in each case addressed as follows:

If to the Knights:

Christopher Roberts, President
Club 1915, Inc.
Route 5, Buffalo Rd.
Bryan, OH 43506

with copies to:

Edward Scott Lloyd, Esq.
LegalWorks Apostolate PLLC
4 Family Life Lane
Front Royal, VA 22630

Fax: 540.622.2247

and

WRRO
1020 West High St.
Bryan, OH 43506
Phone (419) 636-5392

Michael A. Shaffer, Atty.
Newcomer, Shaffer, Spangler
& Breininger
117 West Maple
Bryan, OH 43506

If to Redeemer:

Michael Kelly, Chairman with copies to:
Fort Wayne Catholic Radio Group, Inc.
dba Redeemer Radio
4618 East State Blvd., Suite 200
Fort Wayne, IN 46815

Stuart W. Nolan, Jr., Esq.
LegalWorks Apostolate PLLC
4 Family Life Lane
Front Royal, VA 22630
Fax: 540.622.2247

and

Robert E. Doelling, Jr., Esq.
Burt, Blee, Dixon, Sutton
& Bloom, LLP
200 East Main St., Suite 1000
Fort Wayne, IN 46802
Fax: 260.422.7932

or to such other address as either party may specify to the other in writing from time to time.

Notice shall be deemed to have been given upon actual receipt.

16 No Agency. No agency relationship between the parties shall be expressed or implied by the terms of this Agreement, nor shall this Agreement be construed to create a joint venture or partnership between the parties. Neither party shall hold itself out as an agent, partner or joint venturer with the other.

17 Further Assurances. Each party shall execute and deliver such additional documents and take such further actions as are reasonably necessary for the purposes of carrying out this Agreement.

18 Assignment. Neither party shall assign its or its rights or delegate its or its duties under this Agreement without the other party's prior written consent except to an entity under common control with the assigning party, and under terms where the original party remains jointly and severally liable hereunder. Any such assignment or delegation by either party in contravention of this Section 18 shall be null and void.

19 Binding Effect. This Agreement shall be binding upon the parties hereto and their successors and permitted assigns.

20 Waiver. No waiver by either party hereto of a breach by the other of any provision of this Agreement shall be deemed to constitute a waiver of any preceding or subsequent breach of the same provision or any other provision.

21 Governing Law. This Agreement shall be governed by the laws of the State of Ohio without regard to its choice of law provisions.

22 Counterparts; construction. This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile transmission, with the same

legal effect as if the signatures had appeared in original handwriting on the same physical document. This Agreement is the product of joint negotiation between the parties. Each party either is an attorney or has had the opportunity to consult with independent counsel in connection with the negotiation and preparation of this Agreement. Consequently, each party hereby waives the application of any rule of law to the effect that this Agreement or any provision of this Agreement would otherwise be construed against the party who drafted (or whose counsel drafted) such provision or this Agreement as a whole.

23 Consent to Joint Legal Representation. Each Party hereby confirms it has, notwithstanding the conflict of interest inherent when a single attorney or law firm represents multiple parties to the same transaction, provided written consent to the legal counsel for one of the Parties also serving as legal counsel to the other Party with respect to the transaction(s) contemplated herein.

24 Amendment. This Agreement may be modified or amended only in writing and signed by the parties hereto.

25 Entire Agreement; Time of the Essence. This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and contracts between the parties. Time is of the essence of this Agreement and of each and every provision hereof.

26 Certifications.

a. The Knights hereby certify that they will maintain ultimate control of the Station's facilities, including, specifically, control over the Station's finances, personnel and programming.

b. Redeemer hereby certifies that the implementation of this Agreement will not violate the provisions of paragraphs (a)(1) and (e)(1) of Section 75.3555 of the FCC's rules.

c. The signatories hereto hereby certify that they are authorized by the respective parties hereto to enter into this Agreement and that, upon their execution of the same, this Agreement shall be binding on the parties.

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

CLUB 1915, INC.

By:

Christopher Roberts, President

FORT WAYNE CATHOLIC RADIO GROUP, INC., DBA REDEEMER RADIO

By:

Michael Kelly, Chairman