

## TIME BROKERAGE AGREEMENT

This is a TIME BROKERAGE AGREEMENT ("Agreement") dated this 12th day of February, 2019, by and between Summit Broadcasting II, LLC. (the "Permittee") of Radio Station KCNU-FM (hereinafter referred to as the "Station") located at Silver City, Idaho and Calvary Chapel of Twin Falls, Inc. ("Broker").

### RECITALS:

WHEREAS, Broker desires to produce radio programs and segments in conformity with this Agreement and all rules, regulations and policies of the Federal Communications Commission ("FCC") in contemplation of Broker's acquisition of the Station from the Permittee; and

WHEREAS, the Permittee has broadcast time available for use by Broker; and

WHEREAS, Broker desires to avail itself of such broadcast time and provide certain programs for broadcast on the Station in conformity with the terms of this Agreement; and

**NOW THEREFORE**, in consideration of the above recitals and of the mutual promises and covenants contained in this Agreement, the parties, intending to be legally bound, agree as follows:

**1. PERMITTEE'S TRANSMISSION FACILITIES.** Permittee agrees to make its broadcast transmission facilities available to Broker and to broadcast over the Station certain Programs of Broker which are to originate from the Station or from other appropriate facilities. Any costs attendant to transmitting programming to the Permittee's studios for broadcast will be that of Broker and as set forth herein. The Programs are described in **Appendix 1**. Any significant changes in the schedule of regular Programs must be provided in advance by Broker to the Permittee, and approved by Permittee.

**2. TIMES AND RATES.** The times and charges for the Programs to be broadcast are fully set forth in **Appendix 2**, attached to this Agreement, and are subject to change by mutual consent of the parties.

**3. TERM.** The term of this Agreement shall commence on the date this Agreement is executed and, unless sooner terminated in accordance with the terms hereof, shall continue until the assignment of the Station's license from the Permittee to the Broker is consummated. Notwithstanding the foregoing, the Broker may terminate this Agreement if the FCC has not approved the Station's license assignment within twelve (12) months.

**4. PROGRAMMING AND PROGRAMMING STANDARDS.** Broker will furnish the artistic personnel and all materials for the Programs provided for by this Agreement. All Programs will be delivered to Station's studios suitable for broadcast in a manner satisfactory

to the Permittee. All Programs supplied by Broker shall be prepared, written and broadcast in conformity with the rules, regulations and policies of the Federal Communications Commission ("FCC"), including state and local law to the extent necessary, and shall also be prepared, written and broadcast in conformity with the Permittee's regulations and restrictions set forth in **Appendix 3 ("Programming Regulations and Restrictions of Summit Broadcasting II, LLC")** attached to this Agreement. Broker hereby acknowledges that the Station is licensed by the FCC as a noncommercial broadcast station and, therefore, the programming and operations of the Station must comply with Section 399B of the Communications Act and Section 73.503(d) of the FCC's Rules which strictly prohibit the Station from broadcasting announcements that promote the sale of goods and services of for-profit entities. *The Permittee reserves the right to refuse to broadcast, suspend or cancel any Programs which do not, in the Permittee's sole discretion, determined in good faith, maintain a quality consistent with such laws and policies.* In no instance will the Broker represent, suggest or otherwise give the impression over the broadcast airwaves or otherwise, that Broker has any ownership of, control over or connection with the operation of the Station.

## **5. RIGHTS TO SELL AND TO RETAIN REVENUES.**

Subject to the Permittee's right to review, reject, and/or preempt Broker's programming, Broker shall have the exclusive right to sell underwriting and sponsorship announcements for the program time that is being brokered from the Permittee pursuant to this Agreement so long as the content of such announcements comply with Section 399B of the Communications Act and Section 73.503(d) of the FCC's Rules which strictly prohibit the Station from broadcasting announcements that promote the sale of goods and services of for-profit entities. Broker shall be entitled to keep as its sole and exclusive property all monies, revenues, profits, royalties, fees, trades and other consideration arising from the broadcast time that Broker purchases. *In offering the underwriting and sponsorship inventory of the Station for sale to third parties and in otherwise holding itself out to third parties, in no instance will the Broker represent, suggest or otherwise give the impression that Broker has any ownership of, control over or connection with the operation of the Station.* Broker will affirmatively state to third parties in the sale of the Station's underwriting and sponsorship inventory that Broker is acting as a time broker of Station's inventory and programming only, and that except for such role as time broker, Broker has no other connection with or control over Station's programming, finances or operations.

**6. OPERATION OF STATION.** Notwithstanding anything to the contrary in this Agreement, the Permittee shall have full authority and power over the operation of the Station during the period of this Agreement. The Permittee shall retain control, said control to be reasonably exercised, over the policies, programming and operations of Station, including, without limitation, the right to decide whether to accept or reject any programming or announcements, the right to preempt any Program in order to broadcast a program deemed by the Permittee to be of greater national, regional, or local interest, and the right to take any other actions necessary for compliance with the laws of the United States, the State of Idaho,

and the rules, regulations, and policies of the FCC, including Section 310(d) of the Communications Act of 1934, as amended. The parties mutually agree that this Agreement will, at all times, be subject to the rules, regulations and policies of the FCC and that neither will take any action which would be inconsistent with such rules, regulations and policies. If any provision of this Agreement, or any Appendix or attachment to it, is deemed to be in violation of any present or future FCC rules, regulations and policies, the parties agree to mutually cooperate in modifying this Agreement in such manner as is necessary to effect compliance.

The Permittee shall not be required to receive or handle mail, cables, telegraph or telephone calls in connection with the Broker's Programs broadcast under the terms of this Agreement unless the Permittee, at the request of Broker, has agreed in writing to do so.

The Permittee shall coordinate with Broker the Station's hourly station identification announcements to be aired in accord with FCC rules.

The Permittee also retains the right to interrupt Broker's programming at any time, in case of an emergency, although both parties shall cooperate in the broadcast of emergency information over the Station. Broker agrees that the Permittee, in its discretion, may preempt broadcast time purchased by Broker and cause the Station to air certain programs in advancing the Station's public interest responsibilities, and may require Broker's reasonable assistance in the production of those programs. Broker agrees to provide all reasonable assistance in both the production and broadcast of such programs.

## **7. PROGRAMMING RESPONSIBILITIES OF THE PERMITTEE.**

**(a) Community Issue Programming.** It is understood and agreed that the Permittee has certain public interest obligations and responsibilities to broadcast programming that covers issues of public importance to the local community. The Broker will ascertain local issues to be addressed on the Station and will prepare the periodic listings of local needs and issues required by the FCC, and to the extent necessary, Permittee will cooperate with and assist the Broker in preparing and/or airing the responsive programs. Further, the Broker will prepare a list of the local community issues which will be covered by the Station, to be reviewed by Permittee, in each calendar quarter during the term of the Agreement. The Broker will also prepare an Issues/Programming Report listing the local issues that were addressed by the Station during each calendar quarter together with other detailed information regarding the same, to be reviewed by Permittee, and will file the Issues/Programming Report, as approved by Permittee, in the Station's Online Public Inspection File on a timely basis. Nothing in this Agreement shall abrogate the unrestricted authority of the Permittee to discharge its obligations to the public and to comply with the law, and rules and policies of the FCC.

**(b) Station Identification and Public Service Announcements.** The Permittee shall

coordinate with Broker the Station's hourly station identification announcements to be aired in accord with FCC rules. Broker agrees to broadcast a substantial number of public service announcements (PSA's) per week. Broker and the Permittee shall consult as necessary as to the selection and broadcast of such PSA'S, subject to the final authority of the Permittee.

**(c) Special Events Programming.** The Permittee reserves the right in its discretion, and without liability, to preempt one or more of the Programs referred to, and to such part of the time contracted for in this Agreement by Broker, as the Permittee, in its sole discretion, deems necessary for the broadcast of special events of local, regional or national importance. In all such cases, the Permittee will use its best efforts to give Broker reasonable notice of its intention to preempt such broadcast or broadcasts, and, in the event of such preemption, Broker shall receive a brokerage credit for the broadcast or broadcasts so omitted, as provided in **Appendix 2**, unless made at some substituted time which is mutually satisfactory to the parties. Should the Permittee determine, in its sole discretion, that a specific program should be broadcast by the Station during the hours made available to Broker on a regularly scheduled basis, the Permittee will have the right to do so upon giving reasonable Notice to Broker.

**(d) Emergency Programming.** The Permittee also retains the right to interrupt Broker's programming at any time, in case of an emergency, although both parties shall cooperate in the broadcast of emergency information over the Station. Broker agrees that the Permittee, in its discretion, may preempt broadcast time otherwise allotted to Broker and cause the Station to air certain programs in advancing the Station's public interest responsibilities, and may require Broker's reasonable assistance in the production of those programs. Broker agrees to provide all reasonable assistance in both the production and broadcast of such programs.

## **8. RESPONSIBILITY FOR EMPLOYEES AND EXPENSES.**

### **(a) Broker's Responsibilities.**

**(i)** Broker shall be solely responsible for the salaries, payroll taxes, local or federal taxes of any nature, insurance, and related costs for all personnel used by Broker in the production of its programming and underwriting sales, and for any publicity or promotional expenses incurred by Broker. Broker shall be solely responsible for any expenses incurred in the origination and/or delivery of programming from any remote location and the Main Studios of Station. Broker shall pay for its own telephone charges associated with its program production and listener response, and for all fees to ASCAP, BMI, SESAC, and for any other copyright fees attributable to programming broadcast on the station pursuant to this Agreement, including fees charged by any programming provider, network or syndicator.

**(ii) Reimbursable Business and Incidental Expenses.** Attached hereto as

**Appendix 4** is a comprehensive list of regular monthly business expenses relating to the operation of the Station that Broker shall reimburse Permittee for -- but not pay directly. This list of reimbursable expenses may be updated from time to time by the mutual consent of the parties. Furthermore, the parties acknowledge and agree that Broker should reimburse Permittee for these expenses -- rather than pay them directly -- so as to comply with the general policies of the FCC that safeguard against unauthorized and premature transfers of control of broadcast licenses.

**(b) By The Permittee.**

(i) Permittee shall be solely responsible for the salaries, payroll taxes, local or federal taxes of any nature, insurance, and related costs for all personnel used by Permittee in the production of its programming and underwriting sales, and for any publicity or promotional expenses incurred by Permittee. Permittee shall be solely responsible for any expenses incurred by it in the origination and/or delivery of programming from any remote location and the Main Studios of Station. Permittee shall pay for its own telephone charges associated with its program production and listener response, and for all fees to ASCAP, BMI, SESAC, and for any other copyright fees attributable to its programming broadcast on the station, including fees charged by any programming provider, network or syndicator. Notwithstanding the foregoing, should Broker reimburse Permittee for all or some of the aforementioned expenses the same must be noted on Appendix 4 hereto.

(ii) **Other Management and Operating Costs.** The Permittee will provide, and be responsible for, the Station personnel necessary for the management and operation of the Station other than programming and programming personnel, and will be responsible for the salaries, taxes, and related costs for such Station personnel. Whenever on the Station's premises, all personnel, whether that of the Permittee or of Broker, will be subject to the supervision and the direction of the Permittee. The Permittee hereby designates Mary Medicus, the Managing Member, as the General Manager responsible for the day-to-day oversight of the Station's broadcast operations.

(iii) **Online Public Inspection File.** The Permittee shall continue, at its expense, to maintain its Online Public Inspection File in a manner that complies with the FCC's rules and policies.

**9. 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 or force majeure, or due to causes beyond the control of the Permittee, shall not constitute a breach of this Agreement and the Permittee will not be liable to Broker, except to the extent of allowing in each such case a pro rata payment credit for such time or broadcasts at the rates indicated in **Appendix 2.**

**10. COMPLIANCE WITH LAW.** Broker agrees that, throughout the term of this Agreement, Broker will comply with all laws and regulations applicable in the conduct of the Permittee's business and Broker acknowledges that the Permittee has not urged, counseled, or advised the use of any unfair business practice.

**11. THE PERMITTEE'S RIGHT TO MONITOR AND INSPECT THE OPERATIONS AND RECORDS OF BROKER.** The Permittee shall have, under this Agreement, at all reasonable times, and upon twenty-four (24) hours advance request to Broker:

(a) The right to inspect the remote broadcast studios and related facilities used by Broker to prepare, produce, originate and transmit its programming to the Main Studios and broadcast transmitter of Station;

(b) The right to monitor and to review, prior to broadcast all commercial and noncommercial continuity, scripts, informational and other non-entertainment programming originating with, or under the aegis and control of, Broker;

(c) The right to inspect the rate cards, promotional materials, books of accounts, both receivable and payable, and all other financial records and statements of Broker pertaining to Broker's use of the broadcast time and facilities of station, and Broker's resale of time on Station;

(d) The right to inspect and review all contracts or requests for political broadcasting time, issue-oriented programming, or other sponsored non-entertainment programming. Except as it may be required, under FCC, or other federal state or local laws and regulations, to disclose such information, the Permittee, its employees and agents, shall keep all information provided by Broker to it in confidence, and shall not reveal nor disclose such information to no other person, except as may be required by law, or under the Permittee's Licensing Agreement with a network, program syndicator, or music licensing organization.

## **12. INDEMNIFICATION.**

(a). Broker will indemnify and hold and save the Permittee harmless against all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights or privacy, infringement of copyrights and proprietary rights, FCC forfeitures, or from any liability (including reasonable legal fees and other expenses incidental thereto) resulting from the programming furnished by Broker. Further, Broker warrants that the broadcast of the Programs will not violate any rights of others, and Broker agrees to hold harmless the Permittee, the Station, and their respective officers, directors, agents, stockholders, employees and assigns, from any and all claims, damages, liability, costs and expenses, including counsel fees (at trial and on appeal), arising, directly or indirectly, from the production or broadcast of the Programs. The Permittee reserves the right to refuse to broadcast any Program containing matter which is, or in the

reasonable opinion of the Permittee may be, or which a third party claims to be, violative of any right of theirs or which may constitute a personal attack as the term is defined by the FCC. Broker's obligation to hold the Permittee harmless against the liabilities specified above shall survive any termination of this contract.

(b). Permittee will indemnify and hold and save the Broker harmless against all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights or privacy, infringement of copyrights and proprietary rights, FCC forfeitures, or from any liability (including reasonable legal fees and other expenses incidental thereto) resulting from the programming furnished by Permittee and broadcast on the Station. With regard to such Permittee programming, Permittee warrants that the broadcast of the Programs will not violate any rights of others, and Permittee agrees to hold harmless the Broker and its respective officers, directors, agents, stockholders, employees and assigns, from any and all claims, damages, liability, costs and expenses, including counsel fees (at trial and on appeal), arising, directly or indirectly, from the production or broadcast of such Programs. Permittee's obligation to hold the Broker harmless against the liabilities specified above shall survive any termination of this contract.

**13. EVENTS OF DEFAULT.** The following shall, after the expiration of the applicable cure period, constitute Events of Default under this Agreement:

(a) **Non Payment.** Broker's failure to timely submit cost reimbursement payments to the Permittee provided for by this Agreement, as and when due and payable; or

(b) **Default in Covenants.** Either party's default in the material observance or performance of any material covenant, condition, or agreement contained in this Agreement; or

(c) **Violation of the Permittee's Programming Standards.** Either party's failure to conform its programming substantially in compliance with the regulations and restrictions of the Permittee, as set forth in **Appendix 3** attached hereto, or of the Rules, Regulations and Policies of the FCC; or

(d) **Breach of Warranties and Representations.** If any material representation or warranty made by either party in this Agreement, or in any certificate or document furnished from one party to the other pursuant to its provisions, shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(e) **Insolvency, Bankruptcy, Liquidation.** If either party shall become insolvent or unable to pay for its debts as they mature, or shall file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an Answer admitting to the jurisdiction of any Bankruptcy Court or other sovereign, and the material allegations of an involuntary petition,

pursuant to any act of Congress relating the bankruptcy or any act purporting to be amendatory thereof, or shall be adjudicated bankrupt, or shall make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets, or shall apply for or consent to or suffer the appointment of any receiver or trustee for it or a substantial part of its property or assets; --- then, subject to the cure rights of that party set forth immediately below, the other party shall have the right to terminate the term of this Agreement upon notice thereof to the other party.

#### **14. CURE PERIODS.**

(a) Notwithstanding anything apparently to the contrary herein, before Broker is in default of Paragraph 13(a) of this Agreement and before the Permittee shall have the right to terminate the term of this Agreement, Broker shall have seven (7) days from its receipt of Notice of delinquent payment from the Permittee (which Notice shall state the amounts due and payable under this Agreement that are past due and delinquent) to cure such non-payment and pay the amounts set forth in the Notice before the Permittee declares Broker in default and terminates the term of the Agreement, except that the Permittee shall not be obligated to give any such notice to Broker if the Permittee has previously given Broker three (3) different notices of the delinquent payment of the monthly payment for three (3) different months whether or not consecutive (in which such payments were due); and/or

(b) If a default occurs under the provisions of Paragraph 13(b) of this Agreement, the defaulting party shall have thirty (30) days after Notice of such default by the other party to cure the default.

(c) If a default occurs under Paragraphs 13(b) or 13(d) above, and the defaulting party uses good faith and due diligence to cure such default but because of reasons beyond its reasonable control that party cannot cure such default within thirty (30) days, the other party shall not terminate the term of the Agreement, and the defaulting party shall have a reasonable period of time to cure such default provided that party continues in good faith and due diligence to cure such default.

**15. TERMINATION UPON DEFAULT.** In the event of the occurrence of an Event of Default by Broker, (i) the Permittee shall be under no further obligation to make available to Broker any further broadcast time or broadcast transmission facilities, and (ii) all cost reimbursement amounts due to the Permittee up to the date of termination which have not been paid shall immediately become due and payable. If an Event of Default is declared as a result of the breach set forth in Paragraphs 13(b) through 13(e), then the non-defaulting party shall be entitled to recover actual damages for such breaches.

**16. TERMINATION OF AGREEMENT OTHER THAN BY DEFAULT.** This Agreement may be terminated by either party, after ten (10) days written Notice to the other, upon the occurrence of one or more of the following events or conditions:



(a) As provided in Paragraph 6(a) herein, or if the FCC otherwise adopts a final Rule or Order which has the effect of rendering the substantial operating provisions of this Agreement contrary to the public interest, convenience and necessity pursuant to such Rule or Order; or

(b) The Station ceases regular broadcast operations and remains off the air for a period exceeding fourteen (14) days, provided, that the party giving Notice of termination is without fault in connection with such suspension of broadcast operations, or otherwise in breach of this Agreement; and provided further, that Station operations are not resumed within such ten (10) day Notice period; or

(c) A court of competent jurisdiction in the State of Idaho declares this Agreement to be null and void, and of no further effect; or

(d) The Application of the Permittee for Renewal of Station License is subject to challenge and/or is designated for hearing by the FCC, or the FCC institutes a License revocation proceeding against the Permittee and Station.

**17. LIABILITIES UPON TERMINATION OF THIS AGREEMENT.** Upon the termination of this Agreement, whether by operation of default, expiration, or otherwise:

(a) Broker shall be responsible for all liabilities, debts and obligations of Broker accrued from the brokerage of air time and transmission facilities including, without limitation, accounts payable, barter agreements, and unaired announcements; but not the Permittee's Federal and local tax liabilities associated with Broker's cost reimbursement payments to the Permittee as provided for by this Agreement. With respect to Broker's obligations for consideration in the form of air time for which Broker has received prepayment, Broker may propose compensation to the Permittee for meeting these obligations, and the Permittee shall treat such request reasonably.

(b) Any unfulfilled obligations of Broker to provide time, underwriting or sponsorship announcements on a trade or barter basis shall remain Broker's responsibility unless the Permittee shall assume the same pursuant to separate agreements between Broker and the Permittee. Broker shall, in any event, indemnify and hold the Permittee harmless of and from all of Broker's liabilities not assumed by the Permittee as provided above, including any and all of the aforementioned contracts that Broker terminates which are not expressly assumed in writing by the Permittee. The obligation of Broker to indemnify the Permittee pursuant to the preceding sentence shall survive the termination of the term of this Agreement and continue to be the legally binding obligation of Broker.

(c) Upon termination of this Agreement either upon default or upon occurrence of allowed condition as provided herein, Broker shall promptly provide the Permittee with a list of all contracts, accounts, barter arrangements, and other obligations of Broker to provide air time

on Station for the promotion or benefit of a sponsor or other third party (the "Unperformed Obligations"). The Permittee shall, within ten (10) business days thereafter, advise Broker which of the Unperformed Obligations the Permittee will assume. Broker shall be entitled to a commission of twenty percent (20%), payable upon collection by the Permittee, for each account or contract of the Unperformed Obligations agreed to be assumed and performed by the Permittee, to the extent that such assumed Unperformed Obligations have not been prepaid.

**18. ASSIGNMENT.** Neither party may assign its rights or obligations to a third party without the express written consent of the other party.

**19. ANCILLARY BROADCAST RIGHTS.** In the event the Permittee obtains any digital or other ancillary broadcasting rights as a result of its ownership of the Station, Broker may be entitled (at an additional charge to be negotiated at that time) to take advantage of all revenue potential and technical improvements associated with such rights. During the term of this Agreement, the Broker shall maintain the exclusive right to utilize and sell the Station's subcarrier frequencies, and the Broker shall be entitled to keep as its sole and exclusive property all monies, revenues, profits, royalties, fees, trades or other consideration arising from the Station's subcarrier frequency operations.

**20. NOTICES.** (a) Any notice required under this Agreement shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, by overnight delivery service or mailed by certified mail, postage prepaid, with return receipt requested, and addressed as follows:

If to Broker: Michael Kestler, President  
Calvary Chapel of Twin Falls, Inc.  
4002 N 3300 E  
Twin Falls, ID 83301

With a copy to: Cary S. Tepper  
Tepper Law Firm, LLC  
4900 Auburn Avenue  
Suite 100  
Bethesda, MD 20814-2632

If to Permittee: Mary Medicus  
Summit Broadcasting II, LLC  
665 Homestead Street  
Lafayette, CO 80026

(b) Notice, as provided by this Paragraph, shall be given to any other person or party, as any present party may in the future designate in writing, upon due notice to the other. The

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postal receipt for deposit with the U.S. Mail or Overnight Courier service specified shall establish the date of such notification or communication; provided, however, that Notice may also be provided by Electronic Facsimile or telecopier where receipt of the same is verified by immediate telephone voice confirmation. If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a federal legal holiday or legal holiday by law in the State of Idaho, the last day for such notification, communication or action shall be extended to the first (1st) date thereafter which is not a Saturday, Sunday or legal holiday.

**21. ENTIRE AGREEMENT.** This Agreement embodies the entire understanding between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter of this Agreement. No alteration, modification or change of this Agreement shall be valid unless by like instrument.

**22. SEVERABILITY.** If any provision contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained in this Agreement.

**23. FCC PREEMPTION.** The term of this Agreement shall terminate if the FCC adopts and enacts any rule or regulation, or issues any final order, decision or decree, which dictates that the transactions contemplated by this Agreement constitute a violation under the statutes, rules and regulations with the FCC.

**24. COMPLIANCE COSTS.** If any suit be instituted to compel compliance with the provisions of this Agreement and/or to recover damages for the breach thereof, the prevailing party shall be entitled, in addition to any other remedies, to reimbursement of all reasonable litigation expenses, including reasonable attorneys' fees.

**25. INTERPRETATION.** This Agreement shall be construed in accordance with the laws of the State of Idaho, and the obligations of each party under this Agreement are subject to the terms of the Station licenses held by the Permittee and to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other Commissions, governmental bodies or authorities presently existing or later constituted.

**26. APPENDICES.** All appendices and attachments referred to in this Agreement are deemed part of this Agreement and equally binding on the parties.

**27. SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of the Permittee, Broker, and their respective successors and assigns.

**28. COUNTERPART SIGNATURES.** This Agreement may be signed in one or more

counterparts. This Agreement will be effective as of the date on which the executed counterparts are exchanged by the parties.

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

**PERMITTEE:**

**SUMMIT BROADCASTING II, LLC**

By: Mary Medicus  
Mary Medicus  
Managing Member

**BROKER:**

**CALVARY CHAPEL OF TWIN FALLS, INC.**

By: \_\_\_\_\_  
Michael Kestler  
President

counterparts. This Agreement will be effective as of the date on which the executed counterparts are exchanged by the parties.

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

**PERMITTEE:**

**SUMMIT BROADCASTING II, LLC**

By: \_\_\_\_\_

  
Mary Medicus  
Managing Member

**BROKER:**

**CALVARY CHAPEL OF TWIN FALLS, INC.**

By: \_\_\_\_\_

  
Michael Kestler  
President

## Appendix 1

### **DESCRIPTION OF PROGRAMS**

1. The Broker will provide music programming and non-entertainment programming as follows: the substantial rebroadcast of Broker's radio programming consists of inspirational music and religious instruction and talk segments focusing on spiritual and moral values.

**BROADCAST TIMES AND CHARGES**

1. **Broadcast Time Made Available to Broker by the Permittee on the Station:**  
Pursuant to the terms of this agreement, Broker shall be afforded the right to present programming on the Station twenty four hours per day, seven day per week.

Notwithstanding the foregoing, Broker's programming may be interrupted by the Permittee for the following:

(a) Emergency broadcasts or other preempted programming deemed by the Permittee in its good faith discretion, to be in the public interest.

(b) Preempted or substituted programming, where, in the judgment of the Permittee, such programming would be more suitable and consistent with the programming rules, regulations and policies of the Station and/or the FCC.

2. **Fees, and Assumed and Reimbursed Costs:**

(a) On a weekly or monthly basis, Broker will reimburse Permittee for the reasonable and legitimate operating costs listed in Appendix 4. The parties acknowledge and agree that FCC policy requires that all material cost reimbursements be identified in this Agreement and that FCC policy prohibits the Permittee from earning any profit from this brokerage arrangement. Accordingly, Appendix 4 may be updated from time to time as circumstances require.

(b) Broker will maintain casualty and liability insurance, including broadcast errors and omissions insurance, in amounts comparable to standard industry practice, and naming the Permittee as a loss payee.

(c) Broker will be responsible for all programming and production costs, including program suppliers fees, music licensing fees, salaries, payroll and unemployment taxes, merchandise, supplies, draws and commissions.

**Programming Regulations & Restrictions of  
Radio Station KCNU-FM**

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In addition to the fundamental requirement that the programming and operations of the Station must comply with Section 399B of the Communications Act and Section 73.503(d) of the FCC's Rules which strictly prohibit the Station from broadcasting announcements that promote the sale of goods and services of for-profit entities, Broker agrees to cooperate with the Permittee 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.

**I. CONTROVERSIAL ISSUES.** Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group or persons shall be made during the discussion of controversial issues or public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, the Permittee may require that responsive programming be aired.

**II. NO PLUGOLA OR PAYOLA.** The following business activities or "plugs", relating to the payment, acceptance of payment, agreement to pay or agreement to accept payment of money or other consideration is prohibited: (a) taking money, gifts or other compensation from any person for the purpose of playing any record or records on the air; (b) taking money, gifts or other compensation from any person for the purpose of refraining from playing any record or records on the air; (c) taking money, gifts or other compensation from any person for the purpose of promoting any business, charity or other venture without first informing the Station's General Manager, and (d) promoting any business venture which is unconnected with the Station on the air without first informing the Station's General Manager.

**III. ELECTION PROCEDURES.** At least ninety (90) days before the start of any primary or regular election campaign, Broker will clear with the Station's General Manager the rate Broker will charge for the time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged is in conformance with the applicable law and station policy.

**IV. PROGRAMMING PROHIBITIONS.** Broker shall not broadcast any of the following programs or announcements:

A. **False Claims.** False or unwarranted claims for any product or service.



B. **Unfair Imitation.** Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.

C. **Commercial Disparagement.** Any disparagement of competitors or competitive goods.

D. **Indecency.** Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

E. **Price Disclosures.** Any price mentions except as permitted by the Permittee's policies current at the time.

F. **Unauthenticated Testimonials.** Any testimonials which cannot be authenticated.

G. **Descriptions of Bodily Functions.** Any continuity which describes, in a patently offensive manner, internal bodily functions or symptomatic results of internal disturbances, or reference to matters which are not considered acceptable topics in social groups.

V. **NO LOTTERIES.** Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited. This prohibition includes announcements with respect to bingo parties and the like which are to be held by a local church, unless expressly permitted by State law.

VI. **NO "DREAM BOOKS."** References to "dream books," the "straight line", or other direct or indirect descriptions or solicitations relative to the illegal numbers lottery, "numbers game," or the "policy game," or any other form of gambling are prohibited.

VII. **NO NUMBERS GAMES.** References to chapter and verse numbers, paragraph numbers, or song numbers which involve three digits should be avoided and, when used, must be related to the overall theme of the program.

VIII. **NO CASINO GAMBLING.** The broadcast of information which promotes the patronizing of gambling casinos is prohibited.

IX. **NO INDIAN BANKING CARD GAMES.** The mention of Indian banking card games such as baccarat, chemin de fer, and blackjack, as well as electronic or electro-mechanical facsimiles of any game of chance or slot machines, casino gambling, craps, roulette and betting parlors is prohibited.

X. **NO OFF-RESERVATION INDIAN RAFFLES.** The mention of any Indian gaming, such as raffle, conducted off Indian lands, is prohibited.

**XI. REQUIRED ANNOUNCEMENTS.** Broker shall broadcast (i) an announcement in a form satisfactory to the Permittee at the beginning of each hour to identify Radio Station KCNU at Silver City, Idaho, (ii) an announcement at least twice a day, or at the beginning and end of each of Broker's programming days if such programming day does not extend for a continuous 24-hour period, to indicate that program time has been purchased by Broker, and (iii) any other announcements that may be required by law, regulation, or Station policy.

**XII. RELIGIOUS PROGRAMMING RESTRICTIONS.** Any programming broadcast by the Broker is subject to the following restrictions:

A. **Respectful of Faiths.** The subject of religion and references to particular faiths, tenets, and customers shall be treated with respect at all times.

B. **No Denominational Attacks.** Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.

C. **Donation Solicitation.** Requests for donations in the form of a specific amount (for example, \$1.00 or \$5.00), shall not be made if there is any suggestion that such donation will result in miracles, cures or prosperity. However, statements generally requesting donations to support the broadcast or the church are permitted.

D. **Treatment of parapsychology.** The advertising or promotion of fortunetelling, occultism, astrology, phrenology, palm reading, or numerology, mind-reading character readings, or subjects of the like nature is not permitted.

E. **No Ministerial Solicitations.** No invitations by the minister or other individual appearing on the program to have listeners come and visit him or her for consultation or the like shall be made if such invitation implies that the listeners will receive consideration, monetary gain, or cures for illness.

F. **No Miracle Solicitation.** Any invitations to listeners to meet at places other than the church and/or to attend other than regular services of the church is prohibited if the invitation, meeting, or service contains any claim that miracles, cures, or prosperity will result.

**XIII. CREDIT TERMS ADVERTISING.** Pursuant to rules of the Federal Trade Commission, no advertising of credit terms shall be made over the Station beyond mention of the fact that if desired, credit terms are available.

**XIV. COMMERCIAL RECORD KEEPING.** Broker shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly (including to relatives) from any persons or company for the presentation of any programming over the Station without reporting the same in advance to and receiving the prior written consent of the Permittee's General Manager. No commercial messages ("plugs") or undo references shall be made in programming presented over station to any business venture, profit making activity, or other interest (other than noncommercial announcements for bona fide charities, church activities, or other public service activities) in which Broker (or anyone else) is directly or indirectly interest without the same having been approved in advance by the Permittee's General Manager/Chief Engineer and such broadcast being announced and logged and sponsored.

**XV. NO ILLEGAL ANNOUNCEMENTS.** No announcements or promotion prohibited by federal or state law, or regulation of any lottery or game, shall be made over the Station. Any game, contest, or promotion relating to or to be presented over the Station must be fully stated and explained in advance to the Permittee, which reserves the right in its sole discretion to reject any game, contest, promotion.

**XVI. PERMITTEE DISCRETION PARAMOUNT.** In accordance with the Permittee's responsibility under the Communications Act of 1934, as amended, and the Rules and Regulations of the Federal Commissions, the Permittee reserves the right to reject or terminate any programming or advertising proposed to be presented or being presented over the station which is in conflict with Station policy or which in the Permittee or its General Manager/Chief Engineer's sole judgment would not serve the public interest.

**XVII. ECONOMIC PROGRAMMING.** Broker shall advise the general manager of the Station with respect to any economic programming; Broker shall not advertise such recordings as available for sale except for one or two announcements in passing during each half hour, which announcements shall clearly identify Broker's financial interest.

**XVIII. FOREIGN LANGUAGE PROGRAMS.** The foreign language broadcast of any programs, underwriting or sponsorship announcements, PSA's or other content, where the English translation thereof would violate any restriction contained herein, is prohibited.

**XIX. MISCELLANEOUS.**

A. **Waiver.** The Permittee may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest is served.

B. **Prior Consent.** In any case where questions of policy or interpretation arise, Broker should submit the same to the Permittee for decision before making any commitments in connection therewith.

**Appendix 4**

**Monthly & Regular  
Reimbursable Business and Incidental Expenses  
Paid by Broker to Permittee**