

## **FACILITIES MODIFICATION AGREEMENT**

This Facilities Modification Agreement, dated as of December 15, 2015 (this “Agreement”), is by and between New Wavo Communication Group, Inc., a Texas corporation (“New Wavo”), with an address of 14887 Highway 105 West, Suite 101, Montgomery, Texas 77356, and American Family Association, Inc., a Mississippi non-profit corporation (“AFA”), with an address of 107 Parkgate Drive, Tupelo, Mississippi 38801.

WHEREAS, AFA owns and operates noncommercial/educational FM radio station KAFR(FM), Conroe, Texas (Facility ID No. 81300) (“Station KAFR”), which is authorized to operate pursuant to licenses and authorizations issued by the Federal Communications Commission (“FCC”);

WHEREAS, New Wavo owns and operates commercial FM radio station KVST(FM), Willis, Texas (Facility ID No. 26858) (“Station KVST”), which is authorized to operate pursuant to licenses and authorizations issued by the FCC;

WHEREAS, New Wavo intends to file an application with the FCC for a construction permit to modify the licensed facilities of Station KVST to change its transmitter site and its community of license (“COL”) from Willis to Huntsville, Texas (the “KVST Modification”);

WHEREAS, in order for the KVST Modification application to be granted, it will be necessary for Station KAFR to change its COL from Conroe to Willis, Texas (the “KAFR COL Change” and, together with the KVST Modification, the “Proposed Rearrangement”); and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the receipt and sufficiency of which the parties hereby acknowledge, and intending to be bound by the terms hereof, AFA and New Wavo agree as follows:

1. **Implementation of Proposed Rearrangement.** AFA shall participate in the Proposed Rearrangement. New Wavo will prepare and AFA will file and diligently prosecute a construction permit application for the KAFR COL Change (the “KAFR Modification Application”). AFA, however, will not be required to change Station KAFR’s physical location or otherwise modify the Station KAFR’s technical facilities. The KAFR Modification Application and the application for the KVST Modification (the “KVST Modification Application”) will be filed with the FCC in accordance with Section 73.3517 (e) of the FCC’s rules and each will (a) be filed on the same day, which day New Wavo will specify at least ten (10) days in advance; (b) make reference to other application; and (c) include a copy of this Agreement. Upon grants by the FCC of construction permits in connection with both the KVST Modification Application and the KAFR Modification Application, the parties will promptly construct the authorized facilities (if applicable) and New Wavo will prepare and AFA and New Wavo will file FCC license applications on FCC Form 302-FM (the “License to Cover Applications”) to cover such construction permits. In the event that the Proposed Rearrangement (or any component thereof) is dismissed or denied by the FCC for any reason, then AFA will

cooperate with New Wavo in seeking such reconsideration or review as New Wavo may, in its discretion, deem appropriate. Without New Wavo's prior written consent, (i) AFA shall not participate (or agree to participate) in any counterproposal, rulemaking, downgrade, modification application or other filing with the FCC which proposes changes in Station KAFR's facilities (other than those specified by New Wavo pursuant to this Agreement), and (ii) neither AFA nor any of its officers, directors, employees, agents or any other person or entity acting on its behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person concerning the direct or indirect acquisition of Station KAFR or the sale of all or a substantial portion of its air-time pursuant to a time brokerage agreement.

2. Consideration. Upon execution of this Agreement by both parties, New Wavo will deposit the amount of Fifty Thousand Dollars (\$50,000) (the "Deposit") with Fletcher, Heald & Hildreth, PLC ("Escrow Agent") to be held in escrow pursuant to the terms of an Escrow Agreement, in the form attached here as Exhibit A, executed by AFA, New Wavo and Escrow Agent. Upon the grants by the FCC of the License to Cover Applications and both such grants having become Final (as defined below), New Wavo shall cause the Escrow Agent to release the Deposit to AFA as consideration for the for AFA's participation in the Proposed Rearrangement. "Final" means an FCC action (i) which is effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside by the FCC sua sponte.

3. Expenses.

a. All legal and engineering work with respect to the preparation and submission of the Proposed Rearrangement and any Station Application, shall be performed by individuals selected by New Wavo, and New Wavo shall pay all of such individuals' expenses for such work, all subject to review and approval by AFA (which approval shall not be unreasonably withheld, conditioned or delayed).

b. New Wavo shall pay directly, or promptly reimburse AFA for, any applicable FCC filing fees of AFA in connection with the Proposed Rearrangement or any other requests for authorizations in connection with this Agreement.

4. Acknowledgements of AFA. AFA hereby acknowledges and agrees that:

a. New Wavo does not make any representations, warranties or guarantees that the modifications of Station KAFR's facilities (and those of the other radio stations) to be proposed in the Proposed Rearrangement can actually be accomplished;

b. New Wavo may abandon the Proposed Rearrangement and terminate this Agreement as provided in Section 7 below; and

c. At all times, AFA shall maintain control of Station KAFR.

5. Confidentiality and Non-Circumvention.

a. In connection with the negotiation of this Agreement and the Proposed Rearrangement, AFA has and will become acquainted with certain of New Wavo's written, oral and electronic information and know-how regarding the Proposed Rearrangement which is confidential and proprietary to New Wavo ("Confidential Information"). AFA hereby acknowledges and agrees that any Confidential Information which has or will come into its possession, whether provided by New Wavo or any of its agents or employees, or which is otherwise acquired by AFA in connection with the Proposed Rearrangement, is highly sensitive, confidential and proprietary. AFA hereby covenants and agrees that for a period of three (3) years after the date of this Agreement, it will not disclose, discuss with, disseminate or otherwise transfer any of the Confidential Information to any other person or entity, and it will not use any of the Confidential Information for its own benefit or for the benefit of any other person or entity. Notwithstanding the foregoing, however, AFA may (on a need to know basis) disclose Confidential Information to its representatives who will assist it in evaluating the Proposed Rearrangement; provided, however, that AFA will require its representatives to comply with the terms of this Agreement, and will be liable for any breach of this Agreement by any of them.

b. AFA hereby acknowledges that the disclosure, release, or use of any of the Confidential Information by AFA or any of its Representatives or by any other person or entity could give rise to immediate and irreparable harm to New Wavo, which would be inadequately compensable in monetary damages. Accordingly, in accordance with Section 8.i below, AFA agrees that New Wavo may seek and obtain injunctive relief against any breach or threatened breach of the covenants set forth in this Section 5, in addition to any other remedies which it may have at law or in equity.

c. AFA's covenants set forth in this Section 5 shall survive the termination of this Agreement for any reason whatsoever, and shall apply to, and shall be deemed to have been made by, AFA and also any and all persons and entities who or which, directly or indirectly, control, are controlled by, or are under common control with, AFA.

6. Representations of the Parties.

a. AFA hereby represents and warrants to New Wavo that:

i. AFA is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi, and has full corporate power and authority to conduct the business and operations of Station KAFR, and to enter into and perform its obligations pursuant to the terms of this Agreement.

ii. The execution and delivery of this Agreement by AFA have been duly authorized by all necessary action on its part. This Agreement has been duly executed by AFA and delivered to New Wavo and constitutes the legal, valid and binding obligation of AFA,

enforceable against AFA in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights generally and equitable principles.

iii. None of (A) the execution, delivery and performance of this Agreement by AFA, (B) the consummation of this Agreement and the transactions contemplated hereby, or (C) AFA's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate AFA's organization instruments, any judgment, decree, order, injunction, agreement, lease or other instrument to which AFA is a party or by which AFA is legally bound, or any law, rule, or regulation applicable to AFA or the operation of Station KAFR.

iv. Station KAFR's Licenses are in full force and effect. There are no facts which, under the Communications Act of 1934, as amended, or the existing written rules of the FCC, would disqualify AFA from consummating the transactions contemplated herein as of the date hereof.

b. New Wavo hereby represents and warrants to AFA that:

i. New Wavo is a corporation duly organized and validly existing under the laws of State of Texas, and has full power and authority to enter into and perform its obligations pursuant to the terms of this Agreement.

ii. The execution and delivery of this Agreement by New Wavo has been duly authorized by all necessary company action on its part. This Agreement has been duly executed by New Wavo and delivered to AFA and constitutes the legal, valid and binding obligation of New Wavo, enforceable against New Wavo in accordance with its terms, except as limited by laws affecting the enforcement of creditors' rights generally and equitable principles.

iii. None of (A) the execution, delivery and performance of this Agreement by New Wavo, (B) the consummation of this Agreement and the transactions contemplated hereby, or (C) New Wavo's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate New Wavo's articles of incorporation or bylaws, any judgment, decree, order, injunction, agreement, lease or other instrument to which New Wavo is a party or by which New Wavo is legally bound, or any law, rule, or regulation applicable to New Wavo.

7. Termination. This Agreement may be terminated as follows:

a. by mutual written consent of AFA and New Wavo;

b. by written notice of New Wavo to AFA if AFA breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in

any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);

c. by written notice of AFA to New Wavo if New Wavo breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period;

d. by written notice of AFA to New Wavo, or New Wavo to AFA, if the Proposed Rearrangement has not been filed with the FCC within ten (10) business days after the date of this Agreement;

e. by written notice of AFA to New Wavo, or New Wavo to AFA, if the Proposed Rearrangement is filed with the FCC, but within twelve (12) months after the date of such filing the FCC has not granted construction permit(s) for Station KAFR and Station KVST and/or such grants have not become a Final, and the FCC's failure to issue the grant of such construction permit(s) and/or such grant not becoming Final is caused by the terminating party; or

f. by written notice of New Wavo to AFA, if New Wavo, in its sole discretion, abandons the Proposed Rearrangement for any reason, or proceeds with the Proposed Rearrangement and the Relocation is not a part thereof.

The term "Cure Period" as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for ten (10) days thereafter. If this Agreement is terminated by AFA pursuant to Section 7(c) above due to an uncured default of New Wavo, then New Wavo shall instruct the Escrow Agent to disburse the Deposit to AFA. If this Agreement is terminated for any reason other than an uncured default of New Wavo under Section 7(c) above, then AFA shall instruct the Escrow Agent to return the Deposit to New Wavo.

#### 8. Miscellaneous.

a. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to the provisions thereof that may direct the application of the laws of any other jurisdiction.

b. Assignability; Benefit. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns, including, without limitation, any successor in interest of AFA to Station KAFR's Licenses.

c. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior written and oral agreements and understandings between the parties with respect to such subject matter. No amendment to this Agreement shall be enforceable unless set forth in a writing which is properly executed by both parties.

d. Severability. If any provision of this Agreement or the application thereof shall be adjudged by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, then such provision shall be deemed reduced to the extent necessary to make such provision enforceable, and the validity, legality and enforceability of all other applications of such provision, and of all other provisions and applications hereof, shall not in any way be affected or impaired.

e. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed delivered (i) on the date of personal delivery or confirmed transmission by facsimile transmission, or (ii) on the third day (excluding Sundays and national holidays) after the date of deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, or (iii) on the next business day after delivery to a nationally recognized overnight courier service, in each case addressed to a party's address set forth in the preamble hereto, or to such other address, person or entity as either party shall designate by written notice to the other in accordance with this Section 8(e).

f. Counterparts and Original Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All of the counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page. Executed copies of this Agreement transmitted by facsimile or other electronic means shall be deemed as valid and binding as copies delivered with original signatures for all purposes.

g. Waiver. Any waiver by either party of any provision of this Agreement shall not be enforceable against such party unless in writing, and any waiver shall not imply a subsequent waiver of that or of any other provision.

h. Brokers. Each party represents and warrants to the other that no broker has acted on its behalf in connection with the transactions contemplated herein.

i. Specific Performance. The parties acknowledge and agree that, in the event of a breach of this Agreement by AFA, New Wavo may bring an action to enforce the terms of this Agreement by decree of specific performance, it being agreed that New Wavo will be irreparably injured if this Agreement is not specifically enforced and that monetary damages may not be sufficient to compensate New Wavo for such breach by AFA. AFA agrees to waive the defense in any such action for decree of specific performance that New Wavo has an

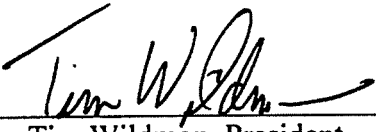
adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

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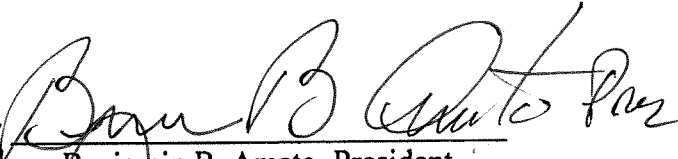
[Signature Page to Facilities Modification Agreement]

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

**AMERICAN FAMILY ASSOCIATION, INC.**

By   
Tim Wildmon, President

**NEW WAVO COMMUNICATION GROUP, INC.**

By   
Benjamin B. Amato, President