

## NETWORK AFFILIATION AGREEMENT

This Network Affiliation Agreement ("Agreement") is made as of this 15<sup>th</sup> day of February, 2006 by and among GALAXY COMMUNICATIONS, LP, a Delaware limited partnership ("Galaxy Parent") and GALAXY ALBANY LICENSEE, LLC, a New York limited liability company ("Albany Licensee") and GALAXY SYRACUSE LICENSEE, LLC, a New York limited liability company ("Syracuse Licensee"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("EMF").

### WITNESSETH:

WHEREAS, Albany Licensee is the licensee of radio stations WOOB(FM), Scotia, New York and WBOE(FM), Ravena, New York (the "Albany Stations"), and Syracuse Licensee is the licensee of radio station WSCP(FM), Pulaski, New York (the "Syracuse Station" and together with the Albany Stations, the "Stations") (Albany Licensee and Syracuse Licensee are referred to collectively as the "Licensees") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, EMF operates a programming network which broadcasts a unique blend of Christian-based, family-oriented programming known as the "K-LOVE" radio format; and

WHEREAS, Galaxy Parent, the Licensees and EMF have entered into an Asset Purchase Agreement (the "Purchase Agreement") dated as of February 16, 2007, which provides that Galaxy Parent and the Licensees will sell and EMF will acquire certain of the assets and licenses of the Stations, on the terms and subject to the conditions set forth therein; and

WHEREAS, in advance of the closing of the transaction contemplated by the Purchase Agreement (the "Closing" or the "Closing Date"), EMF desires to obtain programming time on the Stations in order to rebroadcast K-LOVE's programming from the facilities of the Stations, and the Licensees desire to provide this time to EMF; and

WHEREAS, EMF wishes to authorize the Licensees to rebroadcast K-LOVE programming from the facilities of the Stations, pursuant to Section 325(a) of the Communications Act of 1934, as amended (the "Communications Act"), and applicable FCC regulations in accordance with the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration received by each party, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Programming. Subject to the terms of this Agreement, EMF agrees to provide and authorizes Licensees to broadcast K-LOVE's programming. Simultaneously upon receipt of K-LOVE's programming, Licensees agree to broadcast the programming of K-LOVE on the facilities of the Stations without interruption, deletion, or addition of any kind, except as otherwise expressly permitted herein.

2. Term. The term of this Agreement shall commence at 12:01 a.m. on February [15], 2007, (the "Effective Date") and, unless earlier terminated as provided in this Agreement, shall continue for a period of one year (the "Initial Term"). The term shall automatically renew for subsequent periods of three months each (the "Renewal Term") unless either party gives written notice to the other party at least thirty days in advance of the expiration of the given Initial Term or Renewal Term, but in any event this Agreement shall terminate upon termination of the Purchase Agreement according to its terms.

3. Hours of Programming. EMF will supply the K-LOVE programming during all hours of the Stations' operations as long as this Agreement remains in force, and Licensees will transmit all programming supplied by EMF, except as otherwise provided in Sections 4 and 5 below and subject to the provisions set forth in Section 15 below with respect to force majeure. EMF will provide all such programming, produced at its own cost and expense. EMF shall install a satellite-receive dish at a mutually agreed upon location at the Stations' studios or elsewhere to receive the K-LOVE programming.

4. Reservation of Time. Licensees specifically reserve, at their option, for their own use two hours per week of programming time (the "Reserved Time") during which they may broadcast programming of their own choice on the Stations. Unless otherwise mutually agreed upon by the parties, Licensees may run their programming during the Reserved Time on Sunday mornings between the hours of 6 AM to 8 AM.

5. Licensees' Regulatory Obligations.

(a) Nothing herein shall be construed as limiting in any way Licensees' rights and obligations as an FCC licensee to make the ultimate programming decisions for the Stations and to exercise ultimate control and responsibility with respect to the operations of the Stations. Licensees will be responsible for ensuring that the Stations' overall programming is responsive to community needs and in the public interest. Licensees have the authority, in their sole discretion, to:

(i) reject and refuse to transmit any programming produced or proposed by EMF that Licensees in good faith deem to be unsatisfactory, unsuitable, or contrary to the public interest, as determined by Licensees in their sole discretion;

(ii) originate or rebroadcast from any source any programming which Licensees, in their sole, good faith discretion, deem to be of greater local or national importance than the programming supplied by EMF or which a Licensee believes will better serve the needs and interests of any the Stations' service areas; and

(iii) interrupt EMF's programming in case of an emergency.

(b) In the event that a Licensee rejects any of EMF's programming pursuant to subparagraph (a)(i) above, Licensee shall, insofar as practicable, give EMF reasonable prior notice of its objection to EMF's proposed programs, including the basis for such objection, and

shall use all reasonable efforts to give EMF a reasonable opportunity to substitute acceptable programming. EMF shall air the Stations' hourly station identification announcements on behalf of Licensees so that such announcements are aired in accordance with FCC rules.

(c) Licensees, solely for the purpose of ensuring EMF's compliance with applicable law, including without limitation FCC rules and Stations' policies, shall be entitled to review on a confidential basis any programming material relating to K-LOVE broadcasts as they may reasonably request. EMF shall provide Licensees with copies of all correspondence from or to members of the public relating to K-LOVE's broadcasts on the Stations and all complaints received from the public that pertain to the Stations.

(d) EMF shall cooperate with Licensees to assist Licensees in complying with the provisions of the Communications Act regarding political advertising for federal candidates. EMF shall supply such information promptly to Licensees as may be necessary to comply with the equal opportunity, reasonable access and political file requirements of the Communications Act.

#### 6. Operation of the Stations.

(a) Licensees shall employ at their expense such employees to direct the day-to-day operations of the Stations as may be necessary to comply with the provisions of the Communications Act regarding main studio staffing and such additional personnel as shall be necessary to enable Licensees to perform its obligations under this Agreement. All such employees will report to and be accountable solely to Licensees.

(b) Subject to the reimbursements provided for in Section 8, Licensees shall be solely responsible for and shall pay in a timely manner all operating costs of the Stations, including costs of maintaining and repairing the studio facilities, the Stations' transmitters and antennae, the cost of electricity and other utilities, rental payments, music licensing, taxes and the salaries, taxes, insurance and related costs for all personnel employed by Licensees at the Stations.

(c) At its own expense, and in compliance with any statutes, rules, regulations and policies of the FCC, EMF may provide and install any equipment it deems necessary or useful to supply its programming to the Stations, under the supervision of Licensees. Upon termination of this Agreement, such property will remain the sole property of EMF and EMF shall promptly remove all such equipment from the premises of the Stations. EMF may, at its option, use Licensees' studios and other facilities to exercise its rights and perform its obligations under this Agreement, provided, that EMF's use of Licensees' studios and facilities shall be subject to Licensee's ultimate control and any employees or agents of EMF, while on the premises of the Stations, shall be under the authority and supervision of Licensee.

7. Noncommercial Nature of EMF Broadcasts. EMF represents and warrants to Licensees that EMF is a non-profit corporation which broadcasts the K-LOVE programming on a noncommercial basis with revenues generated through contributions and donations received from

contributors and donors residing within communities receiving K-LOVE's broadcast programming. EMF agrees that the Stations shall not broadcast any commercial announcements during the hours in which the K-LOVE signal is rebroadcast over the Stations. Licensees acknowledge that all donations received from listeners within the Stations' service area as a result of the rebroadcasting of K-LOVE's program signal shall be the sole property of EMF. Licensees shall promptly forward any donations they receive to EMF at the address specified for notices herein, along with an accounting specifying the name and address of each such donor, and the date on which the donations were received.

8. Consideration. During the term hereof, EMF will reimburse Licensees for the Stations' monthly operating expenses (the "Monthly Payment") by payment to Albany Licensee of the aggregate sum of \$ [REDACTED] per month for the Albany Stations and payment to Syracuse Licensee of the sum of \$ [REDACTED] per month for the Syracuse Station.

9. Credits. EMF may elect to reduce the amounts paid to Licensees pursuant to Section 8 above on a pro rata basis for any month in which: (a) Licensees voluntarily decides to preempt EMF's programming pursuant to Section 5(a)(i) or (ii) of this Agreement; or (b) the Stations are unable, due to a failure of the equipment maintained by Licensees, to meet the minimum programming requirement set forth in Section 3 above with respect to the broadcast of EMF's programming, in each case such reduction to be based upon the hours or fractional hours by which a Station fails to meet that minimum hour requirement. EMF shall be entitled to a credit in the amount of the reduction against any subsequent payment to be made to Licensees under Section 8 above.

10. Limited Grant. Nothing herein contained shall be construed as an assignment or grant to Licensees of any right, title or interest in or to any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with K-LOVE or EMF beyond the grant of a limited rebroadcast consent on the terms herein specified. All rights not specifically granted to Licensees hereunder in and to K-LOVE's programming and signal and the content thereof are reserved to EMF for its sole and exclusive use, disposition and exploitation. Moreover, the parties hereto understand and agree that third persons may hold copyrights or other legal rights in and to certain programs broadcast on K-LOVE and that the right to rebroadcast K-LOVE's signal granted hereunder shall not be deemed in any way to cover, convey or transfer such rights of third persons.

11. Representations, Warranties and Covenants of Licensees. Galaxy Parent and Licensees hereby make the following representations, warranties and covenants to EMF:

(a) This Agreement constitutes the legal, valid and binding obligation of Galaxy Parent and Licensees, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which such entity is subject or constitute a breach of or default under any contract, agreement, or other commitment to which Galaxy Parent or Licensee are a

party or may be bound.

(c) Licensees shall operate the Stations and shall maintain the Stations facilities in material compliance with the Communications Act and all applicable rules, published policies and regulations of the FCC, including, without limitation, that each Station shall operate at no less than 90% of its full authorized power.

(d) Licensees shall retain, on a full-time, part-time, or contract basis, a qualified engineer who shall be responsible for maintaining the transmission facilities of the Stations. Licensees shall employ a chief operator, as that term is defined by the currently existing or future rules and regulations of the FCC (who may also hold the position of engineer), who shall be responsible for maintaining compliance by the Stations with the technical operating and reporting requirements established by the FCC, and Licensees shall be responsible for ensuring that qualified control operators monitor and control the Stations' transmissions in material conformity with FCC requirements.

(e) Licensees shall maintain a main studio and staff in material conformity with FCC requirements at all times during the term hereto, and Licensees shall maintain an appropriate public inspection file in material compliance with FCC rules and regulations.

(f) Licensees possess and will maintain all rights necessary to broadcast the programming supplied hereunder, including such rights as may be necessary to permit Licensees to rebroadcast the programming supplied hereunder, and the Licensee shall maintain at its expense all necessary BMI, ASCAP, and SESAC licenses with respect to programs provided and broadcast by the Licensees.

12. Representations, Warranties and Covenants of EMF. EMF hereby makes the following representations, warranties and covenants to Galaxy Parent and Licensees:

(a) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of EMF, and this Agreement constitutes the legal, valid and binding obligation of EMF, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which EMF is subject or constitute a breach or default under its charter, bylaws or any contract, agreement, or other commitment to which EMF is a party or may be bound.

(c) The programming supplied by EMF for broadcast on the Stations will comply with all applicable laws, including without limitation, the Communications Act and FCC's rules, regulations and published policies.

(d) EMF will immediately send to Licensees copies of any letters or complaints concerning the programming supplied by EMF or the operation of the Stations received by EMF for review and placement in the Stations' public inspection file as required.

(e) The provision of programming by EMF pursuant to this Agreement will comply with the provisions of Section 73.3555(a)(1) of the FCC's Rules (including the notes thereto) concerning multiple ownership.

13. Termination.

(a) EMF's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by EMF under this Agreement:

- (i) EMF fails to make any Monthly Payment;
- (ii) EMF fails to observe or perform any other material covenant, condition or agreement contained in this Agreement;
- (iii) EMF breaches or violates any material representation or warranty made by it under this Agreement; or
- (iv) the Purchase Agreement is terminated due to a breach thereof by EMF.

(b) Licensee's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by Galaxy Parent and Licensees under this Agreement:

- (i) A Licensee fails to observe or perform any material covenant, condition or agreement contained in this Agreement; or
- (ii) Galaxy Parent or a Licensee breaches or violates any material representation or warranty made by it under this Agreement; or
- (iii) the Purchase Agreement is terminated due to a breach thereof by Galaxy Parent or Licensees.

(c) Cure Period. EMF shall have ten (10) days from the date that a Licensee has provided EMF with written notice that EMF is in default in its obligation to make the Monthly Payment to cure such Event of Default. In the case of all other Events of Default, the defaulting party shall have thirty (30) days from the date on which EMF has provided Licensees or Licensees have provided EMF, as the case may be, with written notice specifying the Event(s) of Default to cure any such Event(s) of Default. If the Event of Default cannot be cured by the defaulting party within the specified time period but commercially reasonable efforts are being made to effect a cure or otherwise secure or protect the interests of the non-defaulting party (in which case, if successful, the Event of Default shall be deemed cured), then the defaulting party shall have an additional period not to exceed thirty (30) days to effect a cure or a deemed cure.

(d) Termination for Uncured Event of Default. If an Event of Default by EMF has not been cured within the period set forth in Section 13(c) above, then Licensees may terminate this Agreement immediately upon written notice to EMF, and shall be entitled to

pursue the remedy provided for under the Purchase Agreement, i.e. disbursement of the Deposit to Licensee as liquidated damages for an Event of Default under Section 13(a)(iv) hereof. If an Event of Default by Galaxy Parent or Licensees has not been cured or deemed cured within the periods set forth in Section 13(c) above, then EMF may terminate this Agreement immediately (subject to the cure period) upon written notice to Licensees, and pursue all remedies provided for under the Purchase Agreement.

(e) Termination Related to Purchase Agreement. Notwithstanding Sections 13(c) and (d) above, this Agreement shall terminate immediately upon the Closing Date or upon termination of the Purchase Agreement pursuant to Section 11 thereof. Either party may immediately terminate this Agreement if the Purchase Agreement is terminated because of a default by the other party. The parties shall be entitled to pursue all remedies provided for under the Purchase Agreement.

(f) Judicial Action. This Agreement may be terminated by either Licensee or EMF by written notice to the other in the event this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and such order or decree has become final.

In the event of termination, all rights and privileges granted to Licensees hereunder shall forthwith cease and terminate and revert to EMF for EMF's sole and exclusive use and disposition, and Licensees shall cease any further use of K-LOVE's programming and satellite signal and the content thereof, including without limitation any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with K-LOVE.

#### 14. Indemnification.

(a) EMF shall indemnify, defend and hold harmless Licensees from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description (hereinafter referred to as "Loss and Expense"), arising out of: (i) the content of programming furnished by EMF under this Agreement; (ii) any misrepresentation or breach of any warranty of EMF contained in this Agreement; (iii) the actions of EMF's employees and agents on the premises maintained by Licensees; and (iv) any breach of any covenant, agreement, or obligation of EMF contained in this Agreement.

(b) Galaxy Parent and Licensees shall indemnify, defend and hold harmless EMF from and against all Loss and Expense arising out of the breach of any representation, warranty or covenant of Galaxy Parent or Licensees contained in this Agreement.

15. Force Majeure. Licensees shall not be liable for any failure of performance hereunder due to causes beyond their commercially reasonable control, including without limitation, acts of God, equipment malfunction or commercial power failure or reduction. In the event of the occurrence of any such event, Licensees agree to use commercially reasonable

efforts to resume performance as promptly as practicable.

16. Assignment. This Agreement shall be binding upon each party's successors and assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, provided, however, that Galaxy Parent and the Licensees may, without the consent of EMF, assign their rights under this Agreement to their senior lender. In connection with such assignment of rights to the senior lender, EMF shall execute and deliver a consent and agreement substantially in the form of Exhibit G to the Purchase Agreement to be effective according to its terms with respect to assignment of this Agreement.

17. No Joint Venture. Nothing contained herein shall be deemed to create any joint venture, partnership, or principal-agent relationship between EMF and Galaxy Parent or Licensees, and neither shall hold itself out in any manner which indicates any such relationship with the other.

18. Notices. All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Galaxy Parent or Licensees:

Galaxy Communications, L.P.  
235 Walton Street  
Syracuse, NY 13202  
Attention: Mr. Ed Levine  
(315) 472-9111; galaxyceo@aol.com

with a copy (which shall not constitute notice) to:

Cohn Birnbaum & Shea, PC  
100 Pearl Street, 12<sup>th</sup> Floor  
Hartford, Connecticut 06103  
Attention: Michael F. Mulpeter, Esq.  
860-493-2200; MMulpeter@CB-Shea.com

If to EMF, to:

Mr. Richard Jenkins, President

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
(Telecopier: 916-251-1731)

with a copy (which shall not  
constitute notice) to:

David D. Oxenford, Esq.  
Davis Wright Tremaine LLP  
1500 K Street, NW, Suite 450  
Washington, D.C. 20005

19. Entire Agreement; Modifications. This Agreement, along with the Purchase Agreement, contains the entire understanding between the parties with respect to the subject matter hereof. No amendment or modification of this Agreement shall be binding on either party hereto unless first reduced to writing and signed by both parties hereto.

20. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of New York. The parties hereby submit to the exclusive jurisdiction of the state or federal courts located in New York, New York for purposes of litigating any dispute or matter arising under this Agreement. The parties hereby irrevocably waive their right to jury trial in any dispute or matter arising under this Agreement.

*[THE NEXT PAGE IS THE SIGNATURE PAGE]*

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

**GALAXY COMMUNICATIONS, LP**  
By GC Radio, Inc., its General Partner

By:   
Edward F. Levine  
President

**GALAXY ALBANY LICENSEE, LLC**

By:   
Edward F. Levine  
President

**GALAXY SYRACUSE LICENSEE, LLC**

By:   
Edward F. Levine  
President

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Richard Jenkins, President

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**GALAXY COMMUNICATIONS, LP**  
By GC Radio, Inc., its General Partner

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

**GALAXY ALBANY LICENSEE, LLC**

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

**GALAXY SYRACUSE LICENSEE, LLC**

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

**EDUCATIONAL MEDIA FOUNDATION**

By:   
Richard Jenkins, President