

NETWORK AFFILIATION AGREEMENT

This Network Affiliation Agreement ("Agreement") is made as of this 26 day of February, 2004, by and between EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation (hereinafter referred to as "EMF"), and HOOSIER BROADCASTING CORPORATION, a Indiana Non-profit corporation (hereinafter referred to as "Licensee"), the owner and operator of radio station WSPV(FM), Greencastle, Indiana (the "Station").

WITNESSETH:

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, Licensee is the permittee of FM radio station WSPV(FM), Greencastle, Indiana (Channel 213B1, 90.5 Mhz) pursuant to a construction permit [BPED-19990528MH; BMPED-20021206AAO] (the "Permit") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Licensee and EMF have contemporaneously entered into an Option Agreement (the "Option Agreement") which provides that EMF will have the option to acquire substantially all of the assets and licenses of the Station by entering into an Asset Purchase Agreement (the "APA"), on the terms and subject to the conditions set forth therein; and

WHEREAS, EMF desires to purchase program time on the Station in order to rebroadcast K-LOVE's programming from the facilities of the Station and Licensee desires to sell this time to EMF ("the Affiliation"); and

WHEREAS, EMF wishes to authorize Licensee to rebroadcast the K-LOVE programming from the facilities of the Station, pursuant to the Communications Act of 1934, as amended (the "Act"), and applicable FCC rules, regulations and policies (the "FCC Rules") in accordance with the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the foregoing mutual promises herein made, 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, Licensee agrees to sell and EMF agrees to purchase program time on the Station as set forth in this Agreement. Simultaneously upon receipt of K-LOVE's signal, Licensee agrees to broadcast K-LOVE programming on the facilities of the Station without interruption, deletion, or addition of any kind, except as otherwise expressly permitted herein.

2. Term. The term of this Agreement shall commence on March 1, 2004 (the "Effective Date") and, unless earlier terminated as provided in this Agreement, shall continue for a period of up to thirty six (36) months (the "Term").

3. Hours of Programming. EMF will deliver K-LOVE programming during all hours of the Station's operation as long as this Agreement remains in force, and Licensee will broadcast all programming supplied by EMF, except as otherwise provided herein, and subject to the provisions set forth below with respect to force majeure. EMF will produce and deliver all such programming at its own cost and expense. EMF shall install a satellite-receive dish at a mutually agreed upon location at the Station's studios or elsewhere to receive the K-LOVE signal.

4. Reservation of Time. Licensee specifically reserves, at its option, for its own use two hours per week of programming time (the "Reserved Time") during which it may broadcast programming of its own choice. Unless otherwise mutually agreed upon by the parties, Licensee may run its programming during the Reserved Time on Sundays between the hours of 6 AM to 7:30 AM.

5. Licensee's Regulatory Obligations.

(a) Nothing herein shall be construed as limiting in any way Licensee's rights and obligations as an FCC licensee to make the ultimate programming decisions for the Station and to exercise ultimate control and responsibility with respect to the personnel, finances and operations of the Station. Licensee will be responsible for insuring that the Station's overall programming is responsive to community needs and in the public interest. Licensee has the authority, in its sole discretion, to:

(i) reject and refuse to transmit any programming produced or proposed by EMF that Licensee in its good faith deems to be unsatisfactory, unsuitable, or contrary to the public interest, as determined by Licensee in its sole discretion.

(ii) originate or rebroadcast from any source any programming which Licensee, in its sole, good faith discretion, deems to be of greater local or national importance than the programming supplied by EMF or which Licensee believes will better serve the needs and interests of the Station's service area; and

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

(b) In the event that 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.

(c) EMF shall arrange for the broadcast of the Station's hourly station identification announcements on behalf of Licensee so that such announcements are broadcast in accordance with FCC Rules.

(d) Licensee, solely for the purpose of ensuring EMF's compliance with applicable law, including without limitation the FCC Rules and Station's policies, shall be entitled to review on a confidential basis any programming material relating to K-LOVE programs as it may reasonably request.

(e) EMF shall provide Licensee with copies of all correspondence relating to K-LOVE's programs broadcast on the Station and all complaints received from the public that pertain to the Station.

(f) Not later than five days after the end of every calendar quarter, EMF shall provide to Licensee a list of programming delivered by EMF that is responsive to community needs and interests.

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

6. Operation of the Station.

(a) Licensee shall employ at its expense such managers and employees to direct the day-to-day operations of the Station 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 Licensee to perform its obligations under this Agreement. All such employees will report to and be accountable solely to Licensee.

(b) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Station, including costs of maintaining and repairing the studio facilities, the Station's tower, transmitters and antennae, the cost of electricity and other utilities, rental payments, taxes, and the salaries, taxes, insurance and related costs for all personnel employed by Licensee in connection with the operation of the Station. EMF may, at its option, use Licensee's studios and other facilities to exercise its rights and perform its obligations under this Agreement.

(c) At its own expense, and in compliance with FCC Rules, EMF may provide and install any equipment it deems necessary or useful to deliver its programming to the Station, under the supervision of Licensee, including a satellite dish and receiver at a mutually agreed upon location at the Station's studio or transmitter site to receive the K-LOVE signal. 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 Station.

7. Noncommercial Nature of EMF Broadcasts. EMF represents and warrants to Licensee that EMF is a non-profit corporation which produces 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 programming. The Station shall not broadcast any commercial announcements during the hours in which the K-LOVE programming is broadcast over the Station. Licensee acknowledges that all donations received from listeners within the Station's service area as a result of the rebroadcasting of K-LOVE's program signal shall be the sole property of EMF. Licensee shall promptly forward to EMF any EMF donations it receives at the address specified for notices herein, along with any accounting specifying the name and address of each such donor, and the date on which the donations were received. EMF will collect donations at its own address, so that donations come to the Station only inadvertently.

8. Consideration. In consideration for the programming time, facilities, and services made available by Licensee under this Agreement during the term hereof, EMF shall pay Licensee the sum of \$20,000 per month ("the Monthly Payment"), payable on the first day of each calendar month.

9. Credits. The amounts payable to Licensee pursuant to Section 8 above shall be reduced on a pro-rata basis for any period in which: (a) Licensee voluntarily preempts EMF's programming pursuant to Section 5(a) of this Agreement; or (b) the Station is unable to meet the hours of 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 the Station fails to meet the hours of programming requirement. EMF shall be entitled to a credit in the amount of the reduction against any subsequent payment required to be made to Licensee under Section 8 above. Both parties recognize that downtime for routine maintenance shall not be taken into consideration in meeting the hours of programming requirements.

10. Limited Grant. Nothing herein contained shall be construed as an assignment or grant to either party 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 the other beyond the grant of a limited rebroadcast consent on the terms herein specified. All rights not specifically granted to either party hereunder in and to the other's programming and signal and the content thereof are reserved to each for their 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 K-LOVE programs and that the right to broadcast 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 Licensee. Licensee hereby makes the following representations, warranties and covenants to EMF:

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

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

(c) Licensee shall operate the Station and maintain the Station's facilities in material compliance with the Act and applicable FCC Rules, including, but not limited to the FCC's sponsorship identification rules. Licensee shall diligently and in good faith construct the Station facilities in accordance with the Permit, and shall promptly apply for a license to cover the Permit when the Station has commenced operations under program test authority.

(d) Licensee 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 Station. Licensee shall employ a chief operator, as that term is defined by the rules and regulations of the FCC (who may also hold the position of engineer), who shall be responsible for maintaining compliance by the Station with the technical operating and reporting requirements established by the FCC. Licensee shall be responsible for insuring that qualified control operators monitor and control the Station's transmissions in full conformity with FCC requirements.

(e) Licensee shall maintain an appropriate public inspection file, and shall maintain that file as may be required by present or future FCC Rules.

(f) Licensee now holds all permits and authorizations necessary for the operation of the Station including all FCC permits and authorizations. Licensee will continue to hold such permits and authorizations throughout the Term. There is not now pending or to Licensee's knowledge, threatened, any action by the FCC or other party to revoke, cancel, suspend, refuse to renew, or modify adversely any of the licenses, permits or authorizations necessary to the operation of the Station, and to Licensee's knowledge, no event has occurred that allows or, after notice or lapse of time or both, would allow, the revocation or termination of such licenses, permits or authorizations or the imposition of any restriction thereon of such a nature that may limit the operation of the Station as presently conducted. Licensee is operating the Station and its facilities in material compliance with the Act, the FCC Rules and good engineering practices. The Station's tower and transmitting facilities are in good repair and structurally sound, and possess all necessary lighting and markings to comply with applicable FCC Rules. Licensee has no

reason to believe that any such license, permit or authorization will not be renewed in its ordinary course.

(g) Licensee shall maintain at its expense all necessary BMI, ASCAP, and SESAC licenses with respect to programs provided and broadcast by Programmer and Licensee.

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

(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, delivery and performance of this Agreement does not and will not violate any order, rule, judgment or decree to which EMF is subject and does not and will not 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 Station will comply with all applicable laws, including without limitation, the Act and all applicable FCC Rules, including but not limited to the FCC's sponsorship identification rules.

(d) EMF possesses and will maintain all rights necessary to broadcast the programming supplied hereunder, including such rights as may be necessary to permit Licensee to rebroadcast the programming supplied hereunder.

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 Option Agreement or the APA 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 Licensee under this Agreement:

(i) Licensee fails to observe or perform any material covenant, condition or agreement contained in this Agreement; or

(ii) Licensee breaches or violates any material representation or warranty made by it under this Agreement; or

(iii) the Option Agreement or the APA is terminated due to a breach thereof by Licensee.

(c) Cure Period. EMF shall have ten (10) days from the date that 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 Licensee or Licensee has 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 or deemed cured within the period set forth in Section 13(c) above, then Licensee may terminate this Agreement immediately upon written notice to EMF, and shall be entitled to pursue the remedy provided for under the Option Agreement or the APA. If an Event of Default by Licensee has not been cured or deemed cured within the periods set forth in Section 13(c) above, then EMF may terminate this Agreement immediately upon written notice to Licensee, and pursue all remedies provided for under the Option Agreement or the APA.

(e) Termination Related to Option Agreement or the APA. Notwithstanding Sections 13(c) and (d) above, this Agreement shall terminate immediately upon the Closing Date (as defined in the Option Agreement and the APA) or upon termination of the Option Agreement or the APA. The parties shall be entitled to pursue all remedies provided for under the Option Agreement or the APA. In the event this Agreement is terminated as a result of a breach or default by EMF, EMF shall pay to the Licensee as liquidated damages and Licensee's sole remedy hereunder the liquidated damages amount set forth in the APA.

(f) 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 Licensee hereunder shall forthwith cease and terminate and revert to EMF for EMF's sole and exclusive use and disposition, and Licensee shall cease any further use of K-LOVE's programming and 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. Indemnifications.

(a) EMF shall indemnify, defend and hold harmless the Licensee and its directors, officers, employees, agents and affiliates 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 Expenses"), arising out of: (i) the content of programming furnished by EMF under this Agreement; (ii) any misrepresentations or breach of any warranty of EMF contained in this Agreement; and (iii) any breach of any covenant, agreement, or obligation of EMF contained in this Agreement.

(b) Licensee 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 Licensee contained in this Agreement.

15. Force Majeure. Licensee shall not be liable for any failure or impairment of performance hereunder due to causes beyond its commercially reasonable control, including without limitation, acts of God, equipment malfunction or commercial power failure or reduction, or other force majeure as that term is understood in the broadcast industry. In the event of the occurrence of any such event, Licensee agrees to use commercially reasonable efforts to resume performance as promptly as practicable, but further provided, that EMF's obligation to make monthly fee payments to Licensee shall be reduced pro-rata for any period during which an event of force majeure causes the Station not to broadcast EMF programming.

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, which shall not be unreasonably withheld.

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

18. Notices and Payment. 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 Licensee, to:

William S. Poorman
Hoosier Broadcasting Corporation
3500 DePauw Blvd, Suite 2085
Indianapolis, IN 46268

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

J. Richard Carr, Esq.
5528 Trent Street
Chevy Chase, MD 20815

If to EMF, to:
Mr. Richard Jenkins, President
Educational Media Foundation
5700 West Oaks Blvd.
Rocklin, CA 95765

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

David D. Oxenford, Esq.
Shaw Pittman LLP
2300 N Street, NW
Washington, DC 20037
Telecopier: 202-663-8129

21. Entire Agreement; Modifications; Assignment. This 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. If any provision or provisions contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein.

22. Governing Law and Construction. This Agreement shall be construed in accordance with the internal substantive (that is, without reference to conflict of) laws of the State of Indiana and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the Act and FCC Rules and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current FCC Rules for brokerage agreements, and agree that they shall negotiate in good faith to meet any FCC concern with respect to this Agreement if they are incorrectly interpreting current FCC policy or if FCC policy as hereafter modified so requires. The parties further agree that they will make all required filings with the FCC with respect to this Agreement.

23. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the same original or the same counterpart.

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

**HOOSIER BROADCASTING
CORPORATION**

By: William Shirk Poorman
Name: William Shirk Poorman
Title: President

**EDUCATIONAL MEDIA
FOUNDATION**

By: _____
Richard Jenkins, President


By: _____
Name:
Title:

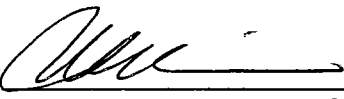
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**HOOSIER BROADCASTING
CORPORATION**

By: _____
Name: William Shirk Poorman
Title: President

**EDUCATIONAL MEDIA
FOUNDATION**

By:  _____
Richard Jenkins, President

By:  _____
Name: Joe Miller
Title: Treasurer