

0719

TIME BROKERAGE AGREEMENT

THIS AGREEMENT, made this 1ST day of MARCH, 1996, by and between HOLSTON VALLEY BROADCASTING CORPORATION ("Broker"), a Tennessee Corporation, and MURRAY COMMUNICATIONS ("Permittee"), a Tennessee General Partnership, which is the Permittee of radio station WLJQ FM, Colonial Heights, Tennessee.

WHEREAS, Permittee holds a construction permit issued by the Federal Communications Commission ("FCC") to build and operate a new FM radio station on channel 290A at Colonial Heights, Tennessee (the "Station"), for which the most recent extension of time application was granted December 13, 1995 and expires June 13, 1996 (File Number BMPH-950921JD); and

WHEREAS, Broker wishes to contract with Permittee to purchase substantially all of the broadcast time on Station in full accordance with all rules, regulations, and policies of the FCC and other applicable regulatory authorities, while maintaining compliance with Station policies and in conformance with local community standards; and

WHEREAS, Permittee has filed and prosecuted a "Petition for Rulemaking" to upgrade Channel 290 at Colonial Heights, Tennessee from a class A facility to a higher class FM facility; and

WHEREAS, the FCC, by its Mass Media Bureau, Policy and Rules Division, Allocations Branch, issued a Report and Order in MM Docket No. 93-28, 9 FCC Rcd 6767 (November 17, 1994) granting Permittee's "Petition for Rulemaking" and upgrading the Station to Class C3 status on Channel 290 ("the Upgrade Order"); and

WHEREAS, a Petition for Reconsideration of the Upgrade Order was filed, and as a result of the provisions of Section 1.420(f) of the FCC's Rules, 47 CFR 1.420(f), have automatically stayed the effectiveness of the Upgrade Order, thereby precluding Permittee from filing an application on FCC form 301 to modify its outstanding construction permit to specify class C3 facilities (the "Automatic Stay"); and

WHEREAS, Permittee is committed to taking all legal, necessary and proper actions at the earliest possible time to constructing the Station as a Class C3 (or higher class) FM facility, and such commitment has induced Broker to enter into this Agreement.

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

1. Station Construction. Subject to the dissolution of the Automatic Stay, Permittee shall expeditiously construct the Station in accordance with Permittee's construction permit. As partial consideration for this Agreement, Broker agrees to lease to the Permittee space on Broker's broadcast tower located at Bays Mountain, with a center of radiation for Permittee's antenna to be at a mutually agreeable height. Broker shall be informed by Permittee of Permittee's construction plans, including equipment to be used on and about Broker's tower, and Broker shall have the right to object to any aspect of construction which, in Broker's discretion, may be detrimental to Broker's operation from its tower site. Permittee shall take all reasonable and necessary steps as soon as is practicable to secure a construction

permit for the Station allowing for the construction of, at a minimum, Class C3 facilities (as defined in the FCC Rules), at Broker's transmitter site on Bays Mountain, Tennessee.

2. Use of Equipment and Space. As part of the consideration received by Permittee under this Agreement, Broker agrees to lease or sublease to Permittee, as the case may be, at its tower site or in other office buildings owned or leased by Broker, sufficient space for Permittee's transmission equipment, space for Permittee's antenna on Broker's tower, and a minimum of 200 square feet of office space containing appropriate furnishings and office equipment (including phones, fax, pentium computer, printer, and either a copier or use of a nearby copier) for Permittee's offices and main studio.

3. Permittee Operation of Station. Permittee agrees to broadcast on the Station, or cause to be broadcast on the Station, Broker's programs which will originate from Broker's own facilities, up to twenty-four hours a day, seven days a week, except for: (i) downtime occasioned by routine maintenance not to exceed two hours each Sunday morning between the hours of 12 Midnight and 6:00 a.m.; (ii) one hour Sunday morning from 7:00 to 8:00 a.m., or another time period mutually agreed upon by the parties, during which time Permittee shall produce, at its own expense public service programming designed to address the problems, needs, and issues relevant to the residents throughout the Station's listening area; and (iii) times which Broker's programs are not accepted or preempted by Permittee. Broker's programs are described in Attachment I hereto. Broker shall pay to Permittee for the airtime the amount set forth in Section 9 of this Agreement. Permittee shall pay directly all operating expenses of the Station (except for the costs of producing the programming and delivering the programming to the Permittee), which cost shall be reimbursed to Permittee by Broker on a monthly basis as set out in section 11 below. Permittee shall employ the Station's General Manager, who shall report solely to and be accountable solely to Permittee and who shall direct the day-to-day operation of the Station, and shall be responsible for the Station's compliance with all FCC requirements and all Station policies. The Station's General Manager will oversee all operations of the Station. While within the Station's main office/studio facility (i.e. the specific space leased by Permittee from Broker or from a third party), all personnel, whether employed by the Permittee or by the Broker, shall be under the direction of the General Manager. Permittee shall be responsible for paying the salaries, taxes, insurance, and related costs for all personnel employed by the Station, subject to reimbursement by the Broker as described in Section 11.

4. Programming. Permittee shall provide to Broker the broadcast time on the Station described in paragraph 3 above, and Permittee shall make available its studio-transmitter link and transmission facilities to Broker, subject to Permittee's control of those facilities, so that Broker's programs can be transmitted to the public over the Station. Broker shall provide at its own expense programming of its own selection – subject to the limitations set out in sections 5 and 6 below – complete with entertainment, news, public service announcements, commercial material, and other suitable programming. Broker shall be solely responsible for any expense and liability associated with the acquisition, production, origination and/or delivery of its programming, including the costs of all personnel associated with its programming. Notwithstanding the foregoing, the Permittee may set aside such reasonable amount of time as it may require to broadcast its own news/public affairs/public service programming so as to insure its community service obligations as defined by the FCC are exceeded. Permittee reserves the right to at any time take whatever actions it deems necessary to protect the Station's license, including, but not limited to, the refusal to broadcast

any programming material that does not, in Permittee's sole opinion, determined in good faith, maintain a quality creditable to Permittee.

5. Permittee Authority. Broker recognizes and acknowledges that Permittee has certain obligations to broadcast legal station identifications, EBS announcements, Pre and Post-Filing Announcements, as well as public service/public affairs programming which addresses issues of public importance to the local community. Broker and Permittee agree to work together to insure that the Station exceeds the minimum FCC requirements in these areas, such that no successful license challenge could be expected to be brought due to failure to provide proper public interest programming. 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, rules, policies, and directives of the FCC. Permittee also retains the right to preempt Broker's programming in its sole discretion for any reason. Such preemption of Broker's shall not be done for the economic advantage of the Permittee, and Permittee shall not sell any commercial announcements or otherwise receive any compensation for any programming that preempts Broker's programming.

6. Permittee Control of Programming. The Permittee shall be notified by Broker of any substantial changes in the programming provided by the Broker, and no such substantial change shall take place without the consent of the Permittee. Broker recognizes that Permittee has full authority to control the operations of the Station. The Permittee may preview any programming material proposed by Broker, as well as review any programming material aired on the Station. The parties agree that the Permittee's authority includes but is not limited to the right to reject or refuse such portions of the Broker's programming and advertisements which Permittee reasonably believes to be unsatisfactory, unsuitable, or contrary to the Station's policies and the public interest. Permittee has the right to preempt in order to allow the broadcast of programs that would be of interest of national, regional, or local events. Permittee and Broker shall cooperate and work together to avoid conflicts regarding programming on the Station. Permittee is responsible for broadcasting programming responsive to the ascertained needs and interests of the community. Permittee is also responsible for complying with all FCC rules, regulations, policies, and directives concerning political advertisements and programs.

7. Compliance with Copyrights. Broker represents and warrants to Permittee with respect to any program material not licensed through ASCAP, BMI, or SESAC that Broker shall indemnify Permittee for any liability arising out of the broadcast of programming provided by the Broker with respect to such organizations or otherwise. However, Permittee shall at all times maintain performance rights, and appropriate licenses with ASCAP, BMI, and SESAC, with respect to any program broadcast by the Permittee.

8. Marketing, Sales, and Collections. Broker shall, at its own expense, advertise, market, and promote the Broker's programming on the Station, in a manner in which both Broker and Permittee mutually agree. Broker shall have the exclusive right to sell all advertising time on the Station, and shall be responsible for billing and collections of all revenues associated with the brokered programming on the Station. Payments to Permittee shall be detailed below and will not vary in any way with billings, profits, etc.

9. Fixed Compensation. Commencing on the date that the station commences program test authority, Broker shall pay to Permittee in advance, on the first day of each month, the following monthly amounts, hereinafter referred to as the "Fixed Compensation", based upon whether Permittee constructs a Class C3 or a Class C2 station:

10. Increases in Monthly Fixed Compensation. Beginning in year four, Broker's monthly Fixed Compensation payment to Permittee shall increase annually by the following amount:

11. Expense Reimbursement. In addition to the compensation to be paid by Broker to Permittee which is described in the preceding paragraphs, Broker shall reimburse, on a monthly basis, the reasonable operational expenses incurred by Permittee in the operation of the Station. These costs shall include (a) the reasonable salaries, taxes, insurance (including a "small business" group health and life insurance plan, covering all full-time employees except the General Manager, which is mutually agreeable to Permittee and Broker), and related costs of the Station's Secretary/Bookkeeper (to be employed by Permittee upon commencement of broadcast operations under program test authority), the Station's Operations Manager (to be employed by the Permittee at its discretion but no earlier than the first anniversary of the date of the Station's commencement of operations under Program Test Authority), and any other employees which Broker and Permittee mutually agree that Permittee should employ, (b) electric utility expenses, (c) FCC fees, (d) music license fees, (e) reasonable local and long distance telephone service comparable to other broadcast stations of similar staff size (minimum 2 lines), (f) fire, theft, casualty, and general liability insurance, and broadcaster's liability insurance pertaining to the Station and its transmission facilities. Broker shall have no liability or obligation to pay Permittee for the cost of the Station's general manager, which will be solely the responsibility of Permittee.

In addition to the foregoing, and which the parties agree have induced Permittee to enter into this Agreement, Broker has agreed to enter into one or more leases with Permittee whereby Permittee will be provided with (a) a studio/office facility containing appropriate

furnishings and office equipment (including phones, fax, pentium computer, printer, and either a copier or use of a nearby copier) and (b) the use of a transmission facility on Bays Mountain, Tennessee which includes space in an existing transmitter building for the location of RF generation and related equipment and space on its 500 foot antenna tower for placement of transmission line, STL receive antenna, and an FM transmitting antenna. Broker shall, as a part of its compensation to Permittee under this Agreement, reimburse Permittee the costs of the monthly lease payments to Broker for the benefits in (a) and (b) above. Broker shall not be liable for reimbursement to the Permittee of any lease/rental payments for the above to a third party, unless Broker refuses or is unable to make suitable space and equipment available to Permittee, in which case Broker shall be liable for reimbursement of payments that Permittee must make to replace said items. Should Broker and Permittee mutually agree that an entity other than the Broker should provide additional or alternative facilities to Permittee, then Broker shall reimburse to Permittee the cost of those expenses.

Broker shall reimburse to Permittee the cost of the above expenses each month within (7) days of receipt of an invoice listing such expenses.

12. Term of Agreement. This Agreement shall take effect on the date of its execution, and continue in effect for a period of five (5) years from the date of commencement of Program Tests. The date of commencement of Program Tests: _____ (to be filled in once by Permittee and Broker once Program Tests commence). Broker shall have three (3) two-year renewal options (for a maximum total of eleven years). Broker must notify Permittee in writing of its intent to exercise a renewal option 180 to 120 days before the expiration of the current term of this Agreement or any renewal thereof. Broker's written notice to Permittee of its intent to exercise any renewal shall be accompanied by a payment equal to five percent (5%) of the Fixed Compensation paid to Permittee during the preceding year. Failure by Broker to provide at least 120 days advance written notice of its intent to exercise any renewal option, accompanied by the payment specified above, shall cause this Agreement to terminate at the end of its then-current term.

13. Termination.

(A) By Broker. Broker shall have the right to unilaterally terminate this Agreement under the following conditions:

(1) the Broker learns of any order or ruling of the FCC or its staff that the Upgrade Order is reversed or modified so that the allocation of Channel 290 (or a substitute channel) at Colonial Heights, Tennessee is reduced to a Class A status; or

(2) the Automatic Stay remains in effect as of the first anniversary hereof;
or

(3) the Station shall not have been issued a construction permit by the FCC for at least Class C3 facilities at Broker's transmitter site on Bays Mountain, Tennessee as of the third anniversary hereof.

(B) By Permittee. Permittee shall have the right to unilaterally terminate this Agreement in the event that the Station shall not have been issued a construction permit by the FCC for at least Class C3 facilities at Broker's transmitter site on Bays Mountain, Tennessee as of the third anniversary hereof.

(C) Notice of Termination. Upon the conditions precedent of the foregoing provisions having occurred, in order to exercise their respective rights hereunder, Broker and/or Permittee shall give notice in writing to the other. In that event, this Agreement shall be deemed to have been terminated and of no further force and effect 15 days subsequent to the giving of notice by Broker or Permittee of its intention to terminate this Agreement.

14. Right of First Refusal. If Permittee decides to sell the Station at any time during the term of this contract or any subsequent renewals exercised under it, and no monies owed to Permittee by Broker are in arrears, and if Permittee receives from an unrelated third party a bona fide written offer (the "Offer") to purchase the assets of the Station or all the outstanding capital stock of the Permittee, Broker shall have a right to match the Offer. If Permittee receives an Offer which Permittee plans to accept, Permittee shall give Broker a written copy of the Offer and Broker shall have a period of thirty (30) days from receipt of the Offer (the "Offer Period") within which to agree to match the Offer. If Broker fails to exercise its right of first refusal within the Offer Period, then Permittee shall have the right to enter into an agreement with the unrelated third party for the sale of the assets of the Station or the outstanding capital stock of the Permittee upon substantially the same terms and conditions as set forth in the Offer delivered to Broker. If the terms of the Offer are modified or amended in any material manner, or if no written agreement is executed with the unrelated third party, Broker's right of first refusal and the provisions of this paragraph shall remain in effect for the remainder of the term of this contract. In the event that no offer from an unrelated third party is received, and Broker still desires to purchase and Permittee still desires to sell the assets of the Station or all the outstanding capital stock of Permittee, the parties agree that each shall appoint an appraiser to establish the Station's fair market value. If the two appraisers cannot agree upon that value, the two appraisers will appoint a third neutral appraiser and the three appraisers will then determine the fair market value of the Station. Regardless of the result of the appraisal process set out above, the final decision to sell or not to sell shall rest solely with Permittee.

15. If FCC Rule Changes Force Termination. If FCC rule changes force termination of this Agreement, the parties agree to make a good faith effort to modify this agreement so as to achieve their respective goals. If that effort fails, the parties shall continue with the Agreement for as long as the FCC allows (i.e. through the then current term, for a year, for 18 months, etc.). This provision, however, shall not cause this Agreement to be extended beyond the term set out in section 12 of this Agreement. If the parties are forced by the FCC to terminate this Agreement and they cannot reach a subsequent agreement which is acceptable to both parties and to the FCC, then Broker will assume and fully pay off any obligations incurred by Permittee remaining to be paid by Permittee for an FM transmitter, transmitting antenna and transmission line (and the cost of their installation), Optimod audio processor, main studio equipment and studio-transmitter link system acquired by Permittee for the construction of the Station to compensate Permittee for the lost opportunity engendered by the unanticipated FCC rule change.

16. Purchase of Another FM Station by Broker. If Broker purchases another FM station while this Agreement is still in effect, and if, at the time of such purchase, FCC rules allow this Agreement to continue unmodified, then such purchase shall have no effect on this Agreement. If, as a result of Broker's purchase of another FM station, under FCC rules in effect at the time of such a purchase by Broker, the parties can no longer maintain this Agreement as executed, then both parties shall use their best efforts to modify this Agreement

so as to keep both parties in compliance with FCC rules, while keeping Permittee's time commitment and profitability essentially unchanged from the terms of this Agreement. If an agreement cannot be reached which is acceptable to both parties, Broker can terminate this Agreement. In such an event, Broker shall pay to Permittee liquidated damages in the

17. Long Term Tower Lease at Conclusion of this Agreement. At the conclusion of this Agreement, if Broker has not purchased Station from Permittee, Broker will lease to Permittee its occupied tower and transmitter building space, for as long as Permittee is the Station's licensee, at the following rate:

18. Subcarriers and Auxiliary Services. Broker and Permittee shall work together to find clients and applications which both mutually agree will not seriously degrade the main channel transmission of Permittee's FM Station. Broker and Permittee shall divide equally all gross revenues resulting from such auxiliary and/or subcarrier uses under Permittee's FM Station's primary license, whether they be analog or digital in nature. However, should the FCC modify its rules so as to allow a digital version of this Station's main carrier's programming to be broadcast, then Broker shall fund the implementation of the additional digital signal, subject to Permittee's approval, within one year of the date such a grant becomes effective, and Broker will not be required to pay any portion of any revenue derived thereby to Permittee, even if such signal is technically considered to be a subcarrier. This provision applies only to a 100% simulcast of this Station's main channel programming. If Broker funds the implementation of any digital or additional analog broadcasts under

authority of Permittee's permit or license for this FM station, for all associated transmission related equipment, Broker will offer to sell to Permittee such equipment at fair market value, but not less than 50% of what Broker paid for the equipment. Broker may choose to offer additional equipment for sale to Owner under the same terms. Permittee shall have the option to purchase this equipment in whole or in part. Alternatively, Permittee may choose to lease at fair market value all or part of the above equipment from Broker, or Permittee may acquire its own replacement equipment from another source. All leases for subcarrier and auxiliary services shall be drafted in such a manner as to allow Permittee to assume them in the event of termination of this Agreement, and Broker does not become the Station's licensee. Any new services separately permitted or licensed by the FCC shall remain the exclusive property of the Permittee, including all rights to their use and all revenues derived from the additional services.

19. Upgrade to Class C2 or Construction as Class C3. If Permittee is successful in obtaining from the FCC a construction permit to upgrade the Station to Channel 240C2, either prior to or subsequent to commencement of operation as a Class C3 station, Broker shall reimburse to Permittee

20. Call Letters. Broker and Permittee shall mutually agree upon the selection of call letters for the Station, subject to FCC approval. Once assigned to the Station by the FCC, the rights and licenseeship to those call letters, and any use thereof, directly or indirectly, in any form, will be the exclusive property of Permittee, unless the call letters selected by both parties are "WKPT FM", in which case all rights and licenseeship and any use thereof shall remain with Holston Valley Broadcasting Corporation. Any subsequent changes in the Station's call letters will be at the sole discretion of the Station's Permittee. All rights and licenseeship to any subsequent call letters assigned to the Station by the FCC, and any use thereof, directly or indirectly, in any form, will be the exclusive property of Permittee.

21. Rebroadcast of Station's Main Channel Programming. Permittee shall permit Broker to rebroadcast the Station's main channel programming on any other broadcast station(s) and/or translator(s) which Broker may designate so long as Permittee does not incur any additional financial obligations or any additional liability exposure. Permittee reserves the right to withdraw such permission as it applies to any individual station(s) and/or translator(s) should Permittee determine that the rebroadcast(s) taking place are not in the Permittee's best interest.

22. Major Programming Changes. Broker will not implement any major programming changes during the final 18 months of this Agreement or during the final 18 months of any renewal thereof without express written consent from Permittee. Should Broker violate, or attempt to violate this provision, Permittee may, at its option, declare Broker in breach of this contract, and pursue any or all remedies available to it under the law, including, but not limited to, those set out under "Default" in section 25 of this Agreement.

23. Permittee's Covenants, Representations, and Warranties. Permittee covenants, represents, and warrants to Broker that it has legal standing to contract and is free to enter into this Agreement and is under no disability, restriction, or prohibition which would interfere in any way with its performance under this Agreement and all of its obligations thereunder.

The execution, delivery, and performance of this Agreement by Permittee have been duly authorized by all necessary actions on its part. Neither the execution of this Agreement by Permittee nor the performance of its obligations hereunder will constitute a default under any other agreement or commitment that is now binding upon Permittee.

Permittee knows of no fact or reason why any provision contained herein is in violation of federal law, including the Rules and Regulations of the FCC. Should this Agreement be construed by a court or federal agency of competent jurisdiction to violate federal law and/or the Rules and Regulations of the FCC as the result of a matter known to Permittee and not disclosed to Broker, Broker may at any time thereafter terminate this Agreement and have no further liability to Permittee.

24. Broker's Covenants, Representations, and Warranties. Broker covenants, represents, and warrants to Permittee that it has legal standing to contract and is free to enter into this Agreement and is under no disability, restriction, or prohibition which would interfere in any way with its performance under this Agreement and all of its obligations thereunder.

The execution, delivery, and performance of this Agreement by Broker have been duly authorized by all necessary actions on its part. Neither the execution of this Agreement by Broker nor the performance of its obligations hereunder will constitute a default under any other agreement or commitment that is now binding upon Broker.

Broker knows of no fact or reason why any provision contained herein is in violation of federal law, including the Rules and Regulations of the FCC. Should this Agreement be construed by a court or federal agency of competent jurisdiction to violate federal law and/or the Rules and Regulations of the FCC as the result of a matter known to Broker and not disclosed to Permittee, Permittee may at any time thereafter terminate this Agreement and have no further liability to Broker.

25. Indemnification. Broker shall indemnify and hold harmless Permittee from and against all liability for libel, slander, illegal competition or trade practice, infringement of trade marks, trade names, or program titles, violations of rights of privacy, and infringements of copyrights and proprietary rights resulting from the programming furnished by Broker under this Agreement. Further, Broker warrants that the broadcasting of its programming will not violate the rights of others and Broker agrees to save Permittee, the Station, and their respective officers, directors, agents, stockholders, employees, subsidiaries, successors and assigns harmless from any and all claims, damages, liability, costs, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto, at trial and on appeal) of every kind, nature and description, arising out of Broker's or its employees or agents' production and/or broadcasting or any other actions or omissions under this Agreement. Permittee reserves the right to refuse to broadcast any and all programs containing matter that is, or in the reasonable opinion of the Permittee may be, or that a third party claims to be, violative of any right of theirs or that may constitute a personal attack as the term is and has been defined by the FCC.

Permittee agrees to indemnify and to hold Broker and its stockholders, directors, officers, agents, employees, subsidiaries, successors and assigns free from any and all claims, damages, liabilities, costs, or expenses, including reasonable attorneys' fees, incurred by Broker, or such individuals or entities, arising out of material broadcast by Permittee other than the programming supplied by Broker.

26. Default. If the Broker shall fail to make any monetary payment for which it is obligated under the terms of this Agreement on the date the payment is due, Broker shall be in default under this Agreement. Permittee shall notify Broker in writing of such default. For the first two (2) instances of default in any given twelve (12) month period, Broker shall be allowed to cure the default within two (2) business days without incurring any penalties for such late payments. However, if Broker does not cure the default within two business days of receipt of notification from Permittee, or if this is the third or any subsequent default within a twelve month period, Broker shall be liable to Permittee for penalties of ~~_____~~ per calendar day from the first day of default, until the Broker pays to Permittee all amounts in arrears, including penalties which have accrued as a result of said default.

If the Broker shall fail to make any monetary payment for which it is obligated under the terms of this Agreement on the date the payment is due, and such default continues for more than fifteen (15) calendar days, without thereby abrogating the obligation of the Broker to make payments as provided for herein, the Permittee shall have the right, at its option, to terminate the broadcast of Broker's programs.

Should Broker's default continue for more than thirty (30) days, Broker shall assume and fully pay off any obligations incurred by Permittee remaining to be paid by Permittee for studio and transmission equipment and facilities acquired by Permittee for the construction of the Station, and shall indemnify and hold Permittee harmless from such obligations from the date of default forward.

As further consideration to Permittee in the event Broker is in default to Permittee under this Agreement for more than thirty (30) days, Broker will provide Permittee with continued, unmodified benefits provided as a part of Broker's compensation package to Permittee as described in Section 2, i.e. office, studio, transmitter building, and tower space, all at no charge to Permittee, until all amounts in arrears to Permittee, including late payment penalties, have been paid in full.

Nothing herein, however, shall be construed as providing a remedy alternative to recovery for damages for any breach hereof but as an additional remedy thereto.

Should Permittee lease occupied tower and transmitter building space from Broker under the terms of section 16 of this Agreement, Permittee shall be liable to Broker for late payment penalties under the same terms identical to those set out in the first paragraph of this section, except that the daily penalty for late payments for which Permittee shall be liable to Broker shall ~~_____~~

27. Benefit. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

28. Assignability. Neither the whole nor any portion of this Agreement shall be assignable by either party without the prior written consent of the other party. However, transfers considered "pro-forma" by the FCC will not require the other party's consent, nor will Murray Communication's expected transfer, subject to FCC approval, of its assets to another entity controlled by David Murray.

29. Amendment and Waiver. This Agreement cannot be changed or terminated orally. No amendment, waiver of compliance with any provision or condition contained hereof, or consent provided for herein shall be effective unless evidenced by an instrument in writing signed by both parties.

30. Effect of this Agreement. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by either party which is not embodied in this Agreement, and neither party shall be bound by or be liable for any alleged representation, promise, inducement, statement, or intention not embodied herein.

31. Section Headings. The section headings of this Agreement are for convenience of reference only and do not form a part thereof and do not in any way modify, interpret, or construe the intentions of the parties.

32. Construction of Agreement. The obligations of Permittee and Broker are subject to applicable federal, state, and local law, rules, and regulations, including but not limited to, the Communications Act of 1934, as amended, and the Rules and Regulations of the FCC. This Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee.

33. Attorneys' Fees. In the event of litigation arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to the relief granted, all costs incurred, including reasonable attorneys' fees.

34. Notice. Any notices, demands, waivers, requests or consents required or permitted under the provisions of this Agreement shall be in writing and shall be deemed to have been duly delivered on the date of personal delivery or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or by Federal Express or Overnight US Mail with signature required by recipient, addressed as follows:

If to Permittee: Mr. David T. Murray
 Murray Communications
 1028 Woodstone Drive
 Colonial Heights, TN 37663

If to Broker: Mr. George E. DeVault, Jr.
 President
 Holston Valley Broadcasting Corporation
 222 Commerce Street
 Kingsport, TN 37660

IN WITNESS WHEREOF, the BROKER and PERMITTEE have executed this Agreement on the date and day first written above.

BROKER:

HOLSTON VALLEY BROADCASTING CORPORATION

By: *George E. Devault, Jr.*
GEORGE E. DEVAULT, JR.
PRESIDENT

STATE OF TENNESSEE
COUNTY OF SULLIVAN

BEFORE ME, *Bette Lawson*, a Notary Public of the State and County aforesaid, personally appeared GEORGE E. DEVAULT, JR., with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be PRESIDENT of HOLSTON VALLEY BROADCASTING, the within named bargainer, a Tennessee corporation, and that he as such PRESIDENT executed the foregoing instrument for the purposes contained therein contained by signing the name of the corporation by himself as PRESIDENT.

Witness my hand and official seal at Kingsport, Tennessee, this *01* day of *March*, 1996.

My Commission Expires: *June 16, 1996*

Bette Lawson
NOTARY PUBLIC

PERMITTEE:

MURRAY COMMUNICATIONS

By: *David T. Murray*
DAVID T. MURRAY
GENERAL PARTNER

STATE OF TENNESSEE
COUNTY OF SULLIVAN

BEFORE ME, *Bette Lawson*, a Notary Public of the State and County aforesaid, personally appeared DAVID T. MURRAY, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be a GENERAL PARTNER of MURRAY COMMUNICATIONS, the within named bargainer, a Tennessee general partnership, and that he as such GENERAL PARTNER executed the foregoing instrument for the purposes contained therein contained by signing the name of the partnership by himself as a GENERAL PARTNER.

Witness my hand and official seal at Kingsport, Tennessee, this
01 day of March, 1996.

My Commission Expires: *June 16, 1996* *Bette Lawson*
NOTARY PUBLIC

**TIME BROKERAGE AGREEMENT
ATTACHMENT I**

Broker agrees to cooperate with 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. **RELIGIOUS PROGRAMMING.** The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual organization.

II. **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 of persons shall be made during the discussion of controversial issues of 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, Permittee may require that responsive programming be aired. Nothing in this paragraph shall be construed to prohibit political broadcasting or to place Broker in the position of a censor of political broadcasting which is mandated by 47 U.S.C. &312(a)(7) and 47 U.S.C. &315 and the rules, regulations, published policies and case law of the FCC to be broadcast without censorship of the Station.

III. **NO PLUGOLA OR PAYOLA.** The mention of any business activity or "Plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited.

IV. **NO LOTTERIES.** Those announcements pertaining to lotteries or games which pursuant to federal or state law or regulation may not be broadcast are prohibited.

V. **ELECTION PROCEDURES.** At least ninety (90) days before the start of any primary or regular election campaign, Broker will clear with Permittee's General Manager the rate Broker will charge for the time to be sold to candidates for public office and/or his supporters to make certain that the rate charged conforms to all applicable laws and Station policy.

VI. **REQUIRED ANNOUNCEMENTS.** Broker shall broadcast (a) an announcement in the form satisfactory to Permittee at the beginning of each hour to identify Station WLJQ(FM), (b) announcements as required by law to indicate that program time has been purchased by Broker, and (c) any other announcement that may be required by law, regulation, or Station policy.

VII. **CREDIT TERMS ADVERTISING.** Pursuant to rules and regulations of the Federal Trade Commission, any advertising of credit terms shall be made over the Station in accordance with all applicable federal and state laws.

VIII. **NO ILLEGAL ANNOUNCEMENTS.** No announcement or promotion prohibited by federal or state law or regulation or 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, and such explanation be presented to Permittee, which reserves the right, in its sole discretion to reject any game, contest or promotion.

IX. **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 Communications Commission, Permittee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which in the judgment of Permittee or its General Manager/Chief Engineer would not serve the public interest.

X. **PROGRAMMING IN WHICH BROKER HAS A FINANCIAL INTEREST.** Broker shall advise General Manager of the Station with respect to any programming [including commercial(s)] concerning goods or services in which Broker has a material financial interest. Any announcements for such goods and services shall clearly identify Broker's financial interest, excluding those announcements promoting media facilities owned or managed by Holston Valley Broadcasting Corporation where the call letters and/or trade names of such media facilities are clearly stated in the announcement.

XI. **PROGRAMMING PROHIBITIONS.** Broker shall not knowingly and intentionally 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 or either program idea or copy, or any other unfair competition.

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

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

E. **Descriptions of Bodily Functions.** Any continuity which describes in a repellent manner internal bodily functions, excretory functions or symptomatic results or internal disturbances, and no reference to matters which are not considered acceptable topics in social groups.

F. **Conflict Advertising.** Any advertising matter or announcement which may, in the reasonable opinion of Permittee, be injurious or prejudicial to the interests of the public, the Station, or honest advertising and reputable business in general.

G. **Fraudulent or Misleading Advertisement.** Any advertising matter, announcement, or claim which Broker knows to be fraudulent, misleading, or untrue.

Permittee may waive any of the foregoing regulations in specific instances if, in its reasonable opinion, good broadcasting in the public interest will be served thereby.