

## **NETWORK AFFILIATION AGREEMENT**

**THIS NETWORK AFFILIATION AGREEMENT** (this "Agreement") is made as of January 25, 2017 (the "Effective Date"), by and between **JOSH BROADCASTING, L.L.C.**, a Washington limited liability company ("Licensee"), and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit, religious corporation ("EMF").

### **WITNESSETH:**

**WHEREAS**, Licensee is the licensee of radio station KNBQ(FM), Central Park, Washington (Channel 253C3; 98.5 MHz; FIN# 189496) (the "Station") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

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

**WHEREAS**, EMF desires to obtain programming time on the Station, effective February 1, 2017, in order to rebroadcast the Programming from the facilities of the Station, and Licensee desires to provide programming time to EMF on the Station 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 set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Programming. Subject to the terms of this Agreement, EMF agrees to provide and authorizes Licensee to broadcast the Programming. Simultaneously upon receipt of the Programming, Licensee agrees to broadcast the 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 (defined below) of this Agreement shall commence on February 1, 2017 (the "Commencement Date"). Unless earlier terminated as provided herein, the term of this Agreement shall be one (1) year from the Commencement Date.

3. Hours of Programming. During the Term, EMF shall supply the Programming during all hours of the Station's operation and Licensee 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 16 below with respect to force majeure. EMF will provide all such programming, produced at its own cost and expense. EMF shall install and bear all expenses accrued from the installation of (a satellite-receive dish, mount, and all additional satellite related equipment, an equipment rack with all necessary equipment to receive EMF Programming, program the Station, process audio and comply with Emergency Alert System ("EAS") message requirements at a mutually-agreed upon location at the Station's studio or elsewhere to receive the Programming.

4. Reservation of Time. Licensee specifically reserves, at its option, for its own use two (2) hours per week of programming time (the "Reserved Time") during which it may broadcast programming of its own choice on the Station provided, however, that Licensee agrees that the Reserved Time programming will be non-commercial in nature and consistent with EMF's format. Unless otherwise mutually agreed upon by the parties, Licensee may run its Reserved Time on Sunday mornings between the hours of 6 AM and 8 AM. Despite this option, EMF will email to Licensee their Quarterly Issues and Programming reports that comply and satisfy FCC rules, regulations and policies (collectively, "FCC Rules").

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 operation of the Station. Licensee shall remain responsible for ensuring that the Station's overall programming is responsive to community needs and serves the public interest. To that end, Licensee, in its good faith and sole discretion, has the authority to:

(i) reject and refuse to transmit any programming produced or proposed by EMF that Licensee deems to be unsatisfactory, unsuitable, or contrary to the public interest;

(ii) originate or rebroadcast from any source any programming which Licensee 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 commercially reasonable efforts to give EMF a reasonable opportunity to substitute acceptable replacement programming. EMF shall air the Station's hourly station identification announcements on behalf of Licensee so that such announcements are aired in accordance with FCC Rules.

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

6. EMF's Obligations.

(a) EMF shall furnish the artistic personnel and all materials for the Programming. The Programming will be delivered to Licensee's studios in a form suitable for broadcast pursuant to the Rules and Regulations of the FCC.

(b) EMF may, in its sole discretion, replace, modify or cancel the Programming, or require a change in its delivery system, without advance notice to Licensee so long as such changes do not materially prevent Licensee from receiving and rebroadcasting the Programming.

7. Operation of the Station.

(a) Licensee shall employ at its expense such employees to direct the day-to-day operation of the Station as may be necessary to comply with the provisions of the Communications Act and applicable FCC Rules 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 transmitters and antennas, the cost of electricity and other utilities, rental payments, taxes and the salaries, taxes, insurance and related costs for all personnel employed by Licensee at the Station.

(c) At its own expense, and in compliance with any applicable statutes and FCC Rules, EMF may provide and install any equipment it deems necessary or useful to supply the Programming to the Station, under the supervision of Licensee. 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. EMF may, at its option, use Licensee's studio and other facilities to exercise its rights and perform its obligations under this Agreement; provided, that during the Term, EMF's employees shall be subject to the exclusive control and supervision of Licensee at all times when they are in the main studio of the Station and utilizing facilities made available for their use within the Station's main studio.

(d) During all hours when EMF is delivering programming for broadcast over Licensee's radio stations, it shall be Licensee's responsibility to broadcast, at the appropriate times, the hourly station identification announcement required by the FCC rules and policies. Additionally, during all hours when EMF's programming is being broadcast over Licensee's radio station, it shall be Licensee's responsibility to see that the EAS equipment provided by EMF in their equipment rack functions as the FCC Rules require. Licensee will monitor at its studios or control point the EMF supplied equipment capable of receiving test messages and alerts over the, which EAS receiver shall be either continuously monitored by Licensee or compliance with the FCC's EAS rules shall be made in any other legal manner by Licensee.

(e) In the event EMF decides to stream the Station signal on the Internet, it shall be EMF's sole responsibility to obtain the proper statutory licenses and pay all costs associated with the stream.

(f) The payment and reporting of all ASCAP, BMI and SESAC fees will be the sole responsibility of EMF.

8. Noncommercial Nature of EMF Broadcasts. EMF represents and warrants to Licensee that EMF is a California non-profit, religious corporation, which broadcasts the

Programming on a noncommercial basis with revenues generated through contributions and donations received from contributors and donors residing within communities receiving the Programming. EMF further covenants to Licensee that the Station shall not broadcast any commercial announcements during the hours in which the Programming is rebroadcast over the Station. Licensee acknowledges that all donations received from listeners within the Station's service area as a result of the rebroadcasting of the Programming shall be the sole property of EMF. Licensee shall promptly forward any donations it receives 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.

9. Consideration. In consideration for the air time made available on the Station by Licensee to EMF during the Term of this Agreement, EMF will pay Licensee a monthly licensee (the "Monthly Payment") equal to the sum of any third party expenses incurred by Licensee in connection with the rebroadcast of the Programming, but not including main studio expenses; provided, however, EMF shall have no obligation to pay or reimburse Licensee for any transmitter site rent due prior to May 31, 2017. The Monthly Payment shall be paid in arrears and due within thirty (30) days of EMF's receipt of an invoice from Licensee. Licensee represents that the Monthly Payment is representative of its costs associated with the Station. Licensee shall pay the Station's operating expenses from these funds.

10. Credits. EMF may elect to reduce the amounts to be paid to Licensee pursuant to Section 9 above on a pro rata basis for any month in which: (a) Licensee voluntarily decides to preempt EMF's programming pursuant to Section 5(a)(i) or (ii) of this Agreement; or (b) the Station is unable, due to a failure of the equipment maintained by Licensee, to meet the minimum programming requirement herein or the provisions of Section 12(c) with respect to the broadcast of the Programming, in each case such reduction shall be based upon the hours or fraction thereof by which the 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 hereunder.

11. Limited Grant. Nothing contained herein shall be construed as an assignment or grant to Licensee 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 Programming or EMF beyond the grant of a limited rebroadcast consent on the terms herein specified. All rights not specifically granted to Licensee hereunder in and to the 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 the Programming and that the right to rebroadcast the Programming granted hereunder shall not be deemed in any way to cover, convey or transfer such rights of third persons.

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

(a) This Agreement constitutes a legal, valid and binding obligation of Licensee, 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 Licensee is subject, or constitute a breach of or default under any contract, agreement, or other commitment to which Licensee is a party or may be bound.

(c) Licensee shall operate the Station and shall maintain the Station's facilities in material compliance with the Communications Act and all applicable FCC Rules, including but not limited to the FCC's sponsorship identification rules. Licensee shall maintain the Station's facilities in good working order and shall repair and update the Station's equipment as reasonably necessary. Licensee shall operate the Station's transmission facilities at no less than 90% of their full authorized power during the Term hereof, except for periods of routine maintenance or events of force majeure, and Buyer's remedy for a breach hereof shall be a credit under Section 9 hereof.

(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 also retain a chief operator, as that term is defined by FCC Rules (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, and Licensee shall be responsible for ensuring that qualified control operators monitor and control the Station's transmission in material conformity with FCC requirements. Since there will be EMF supplied equipment in the signal path, and necessary for the reception of EMF Programming EMF agrees to aid Lessee in replacement or repair of EMF gear including bearing the shipping charges from EMF to Lessee. This equipment is EMF's responsibility and if it inhibits Licensee from broadcasting EMF programming the responsibility will be EMF's to remedy the situation with help as needed from Licensee.

(e) Licensee shall maintain a main studio and staff in material conformity with FCC requirements at all times during the Term, and 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 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. 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 a 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 Station will comply with all applicable laws, including without limitation, the Communications Act and FCC Rules.

(d) EMF will immediately send to Licensee for review and placement in the Station's public inspection file, copies of any letters or complaints received by EMF concerning the Programming, as broadcasted on the Station, or the operation of the Station.

(e) EMF will not accept any consideration, compensation or gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively, "Consideration"), unless the payer is identified in the program for which Consideration was provided as having paid or furnished such Consideration, in accordance with the Communications Act and FCC Rules.

#### 14. Termination.

(a) EMF's Events of Default. The failure of EMF to observe or perform any material covenant, condition or agreement contained in this Agreement and failure to make a Monthly Payment and the continuation of such failure through the cure period shall be deemed an Event of Default by EMF under this Agreement.

(b) Licensee's Events of Default. The failure of Licensee to observe or perform any material obligation, covenant, condition or agreement contained in this Agreement and the continuation of such failure through the cure period shall be deemed an Event of Default by Licensee under this Agreement.

(c) Cure Period. EMF shall have ten (10) days to cure an Event of Default measured from the date that Licensee has provided EMF with written notice that EMF is in default in its obligation to make the Monthly Payment. In the case of an Event of Default by Licensee, the Licensee shall have thirty (30) days to cure the Event(s) of Default measured from the date on which EMF has provided Licensee with written notice specifying the Event(s) of Default. If the Event of Default cannot be cured by the Licensee within the specified time period, but the Licensee is making commercially reasonable efforts to effect a cure or otherwise secure or protect the interests of EMF (in which case, if successful, the Event of Default shall be deemed cured), then the Licensee 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 has not been cured or deemed cured within the periods set forth in Section 14(c) above, then the non-defaulting party may terminate this Agreement immediately upon written notice to the defaulting party.

(e) Governmental 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 (i.e., an action that has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which no

timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition, or appeal or reconsideration by the FCC on its own motion has expired).

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 the Programming 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 the Programming.

15. Indemnification.

(a) EMF shall indemnify, defend and hold harmless Licensee 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 the content of the Programming.

(b) Licensee shall indemnify, defend and hold harmless EMF from and against all Loss and Expense arising out of (i) the breach of any representation, warranty or covenant of Licensee contained in this Agreement; (ii) the wrongful or negligent actions of Licensee's employees and agents; (iii) Licensee's operation of the Station; and (iv) any breach of any covenant, agreement, or obligation of Licensee contained in this Agreement.

16. Force Majeure. Each party will be excused from performance and will not be liable for any delay in performance or for non-performance, in whole or in part, caused by the occurrence of any of the following events, if such event is unforeseeable and beyond the reasonable control of that party: war (whether or not an actual declaration thereof is made), riot or other act of civil disobedience, actual or threatened act of terrorism or of any other public enemy, act of any government or any agency or subdivision thereof affecting the terms of this contract or otherwise, judicial action, fires, explosion, or flood.

17. 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 consent shall not be unreasonably withheld.

18. Independent Contractors. The relationship between the parties shall be that of independent contractors. This Agreement shall not make either party a partner or employee of the other. Nothing in this Agreement shall create, and the parties do not intend to create, any partnership, limited partnership, agency or joint venture relationship between the parties, that all parties are acting as independent contractors with respect to each other, and that none of the employees of either party will be deemed to be employees of the other party for any purpose. Each party agrees that it is not, and will not hold itself out as the representative, affiliate or agent of the other party for any purpose. Neither party has any right or authority to assume or to create any obligation or responsibility on behalf of the other party for any purpose. Each party will pay and be solely responsible for all contributions, taxes and premiums payable under any and all

applicable laws, rules or regulations with respect to employees.

19. Notices. All notices, elections 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 refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, 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 EMF, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Mike Novak, President

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

David Oxenford, Esq.  
Wilkinson, Barker, Knauer LLP  
1800 M Street, N.W.  
Suite 800N  
Washington, DC 20036

If to Licensee, to:

Gregory Smith  
PO Box 53248  
Bellevue WA 98015      FAX 425 671 0888

20. Entire Agreement; Modifications. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof. This Agreement may be executed in counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. 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.

21. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, without regard to the State's conflicts or choice of law provisions.



[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this KNBQ Network Affiliation Agreement as of the Effective Date.

EMF:

EDUCATIONAL MEDIA FOUNDATION

By: 

Name: Mike Novak

Title: CEO

Date: 1/30/17

LICENSEE:

JOSH BROADCASTING, L.L.C.

By: 

Name: Gregory J Smith

Title: Manager

Date: Jan 25, 2017