

TIME BROKERAGE AGREEMENT

This Time Brokerage Agreement ("Agreement"), dated as of August 1, 2002 is entered into by and between **Tuned In Broadcasting, Inc.**, a Tennessee corporation ("Licensee"), the owner of certain assets relating to and the licensee of radio stations WRLG-FM licensed to Smyrna, Tennessee, and WYYB-FM licensed to Kingston Springs, Tennessee (individually "Station" and collectively the "Stations"), and **Salem Communications Holding Corporation**, a Delaware corporation (the "Programmer").

WHEREAS, Licensee and Programmer have on this date entered into an Asset Purchase Agreement ("Purchase Agreement") whereby Licensee will convey and Programmer will purchase certain assets associated with the Stations; and

WHEREAS, the purchase and sale contemplated by the Purchase Agreement is subject to the prior approval and consent of the Federal Communications Commission ("FCC"); and

WHEREAS, in accordance with procedures and policies approved by the FCC, the Programmer desires to avail itself of substantially all of the Stations' broadcast time for the presentation of a programming service, including the sale of program and advertising time, until such time as (i) the FCC shall have consented to the purchase and sale contemplated by the Purchase Agreement; and (ii) such purchase and sale shall have been consummated; and

WHEREAS, in accordance with procedures and policies approved by the FCC, Licensee desires to make available to Programmer substantially all of the Stations' broadcast time for the presentation of a programming service, including the sale of program and advertising time, until such time as (i) the FCC shall have consented to the purchase and sale contemplated by the Purchase Agreement; and (ii) such purchase and sale shall have been consummated.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties agree as follows:

1. **Purchase of Air Time and Broadcast of the Programming**. Licensee agrees to make the broadcasting transmission facilities of the Stations available to the Programmer and to broadcast on the Stations or cause to be broadcast, the Programmer's programs for up to 24 hours a day, seven days a week (the "Programming"), except for (i) the broadcast of Licensee's public service programming as provided in Section 10.1, below ("Licensee's Programming"); (ii) downtime occasioned by routine maintenance performed between the hour of 12:00 midnight and 6:00 a.m.; (iii) times when Programmer's programs are not accepted or are preempted by Licensee in accordance with Section 10.1 or Section 12, below or because such Programming does not satisfy the standards of Schedule 2 to this Agreement; and (iv) Force Majeure Events (collectively the "TBA Hours"). For purposes of this agreement, Force Majeure Events shall mean any failure or impairment of facilities or any delay or interruption in broadcasting the Programming not directly or indirectly the fault of Licensee or its employees or agents, or failure at any time to furnish the facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof, or any

other causes beyond the control of Licensee. Interruption of service as a consequent of one or more Force Majeure Events shall not constitute a breach of this Agreement. Licensee will provide access to its transmission plant for broadcast of Programmer's programming. All other equipment and facilities used by Programmer to produce and deliver its programming will be its own.

2. **Consideration.** The terms, conditions and schedule of payment ("Consideration") to Licensee for the broadcasting of the Programming during the term of this Agreement shall be as set forth in Schedule 1 to this Agreement.

3. **Term.** This Agreement shall commence on 12:01 a.m. on August 5, 2002. Unless earlier terminated as provided by this Agreement, the term of this Agreement shall end upon the earliest to occur of: (i) the termination of the Purchase Agreement; (ii) the Closing Date, as defined in the Purchase Agreement; or (iii) termination pursuant to Section 17, Section 18 or Section 19, below. In the event that either party receives formal or informal notice from the FCC that this Agreement or any of its terms are contrary to the public interest or violative of any FCC statute, regulation, rule or policy, the parties shall negotiate in good faith to resolve such objection and preserve the fundamental nature of this Agreement; if and to the extent the substance of this Agreement cannot be maintained by the application of Section 30, below and/or such negotiations, either party shall have the right to terminate this Agreement immediately by written notice to the other party.

4. **The Programming.** The Programmer may furnish programming to Licensee for not less than the minimum operating schedule required by Section 73.1740 of the FCC regulations and up to all of the TBA Hours. The nature of the program service to be provided by the Programmer will be determined by Programmer subject to the requirement that programming will at all times serve the public interest and comply with the provisions of Section 7, Section 10.2 and Section 12, below, Schedule 2 to this Agreement and all applicable federal, state and local laws, rules and regulations. Licensee acknowledges that it has been informed of the program format to be provided by Programmer. Programmer shall not make any material change in the Programming after the date hereof without the prior written consent of Licensee, which consent shall not be unreasonably withheld or delayed.

5. **Station Facilities.**

5.1 **Operation of Stations.** Throughout the term of this Agreement, Licensee shall, consistent with Section 1, above, make the Stations available to the Programmer for operation with its authorized facilities during the TBA Hours. Except for maintenance work and other improvements to the Stations or the Stations' equipment performed by or at the direction of Programmer, any maintenance work affecting the operation of the Stations at full power shall, to the extent reasonably practicable, be scheduled upon at least 48 hours prior notice with the agreement of the Programmer.

5.2 **Interruption of Normal Operations.** Except for maintenance work and other improvements to the Stations or the Stations' equipment performed by or at the direction of Programmer, if either Station suffers loss or damage of any nature to its transmission facilities

which results in the interruption of service or the inability of the Station to operate with its maximum authorized facilities, Licensee shall immediately notify the Programmer, and shall undertake such repairs as necessary to restore the fulltime operation of the Station with its maximum authorized facilities as quickly as reasonably possible.

6. **Handling of Mail.** The Programmer shall provide to Licensee the original or a copy of any correspondence which it receives from a member of the public relating to the Programming to enable Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file (which shall at all times remain the responsibility of Licensee).

7. **Programming and Operations Standards.** All programs supplied by the Programmer shall be in good taste and shall meet in all material respects all requirements of the Communications Act of 1934 and all applicable rules, regulations and policies of the FCC and the policies of the Stations described in Schedule 2 to this Agreement. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations and Station policies. If, in the reasonable judgment of Licensee or the Stations' General Manager, any portion of the Programming presented by the Programmer does not meet such standards, Licensee may reject, suspend or cancel any such portion of the Programming without reduction or offset in any payment due Licensee hereunder.

8. **Responsibility for Employees and Related Expenses.**

8.1 **Programmer Employees.** The Programmer shall furnish (or cause to be furnished) the personnel and material for the production of the Programming to be provided by this Agreement. The Programmer shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of Programming (including sales people, traffic personnel and programming staff). Except as specifically provided in Schedule 1, the Programmer shall not pay or reimburse the salaries or other costs associated with any employees of the Stations that Licensee may be required to employ or may elect to employ on or after the date of commencement of this Agreement.

8.2 **Licensee Employees.** Licensee will provide and have responsibility for the Stations' personnel necessary for compliance with the requirements of Licensee as set forth by the FCC (General Manger, Chief Operator and clerical personnel), and, subject to the provisions of Schedule 1, will be responsible for the salaries, taxes, insurance and related costs for all such Stations' personnel. The parties acknowledge and agree that the duties of the Station General Manager and the Chief Operator may be performed by the same person.

8.3 **Employee Oversight.** Whenever on the Stations' premises, all personnel shall be subject to the supervision and the direction of the Stations' General Manager and/or the designated Chief Operator.

9. **Advertising and Programming Revenues.**

(a) During the Programming it delivers to the Stations, the Programmer shall have full authority to sell for its own account commercial spot advertising and block programming time on the Stations and to retain all revenues from the sale of such advertising and programming. The parties agree that the Programmer shall have complete discretion to deal as it deems appropriate with all advertising and programming accounts relating to advertising and programming sold by it; provided, however, the Programmer shall deal with political candidate and supporter advertising as required by law.

(b) All accounts receivable of Licensee and the Stations as of the commencement date of this Agreement shall remain the sole property of Licensee and shall be collected by Licensee. Any amounts received by Programmer with respect to Licensee's receivables shall be promptly remitted to Licensee.

10. **Operation of the Stations.**

10.1 **Verification of Licensee's Control and Rights of Licensee.** Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Stations during the period of this Agreement. Licensee shall provide and pay for its employees, who shall report and be accountable solely to Licensee, shall be responsible for the direction of the day-to-day operation of the Stations, and shall maintain the Stations' studio and transmission equipment and facilities, including the tower, antenna, transmitter and transmission line, and the Stations' studio transmitter link. Licensee shall retain control over the policies, programming and operations of the Stations, including, without limitation, the right to decide whether to accept or reject any programming or advertisements which Licensee deems unsuitable or contrary to the public interest; the right to preempt any programs in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest; and the right to take any other actions necessary for compliance with the laws of the United States, the State of Tennessee, the rules, regulations, and policies of the FCC (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other federal governmental authorities, including the Federal Trade Commission and the Department of Justice. Licensee reserves the right to refuse to broadcast any program containing matter which is, or in the reasonable opinion of Licensee may be, violative of any right of any third party or which may constitute a "personal attack" (as that term is defined by the FCC). Licensee agrees that Licensee's programming shall be aired at such times as the parties may agree based on the reasonable programming needs of the Programmer. With respect to the operation of the Stations, Licensee shall at all times be ultimately responsible for meeting all of the FCC's requirements with respect to the broadcast and nature of any public service programming, for maintaining the political and public inspection files and the Stations' logs, and for the preparation of all programs/issues lists. Licensee expressly acknowledges that its duty to maintain the Stations' public inspection files is non-delegable and that Licensee retains sole responsibility for maintenance of such files. Licensee verifies that it shall maintain the ultimate control over the Stations' facilities, including control over the finances with respect to its operation of the Stations, over its personnel operating the Stations, and over the programming to be broadcast by the Stations.

10.2. **Verification by Programmer and Obligations of Programmer.** The Programmer will, during the term of this Agreement, provide local news and public affairs programming relevant to the Stations' communities to assist Licensee in satisfying its obligations to respond to the needs of its community. Programmer will also forward to Licensee within twenty-four (24) hours of receipt by Programmer, any letter from a member of the general public addressing Station programming or documentation which comes into its custody which is required to be included in the Station's public file or which is reasonably requested by Licensee. The Programmer shall furnish within the Programming on behalf of Licensee all station identification announcements required by the FCC rules, shall promptly provide to Licensee all records and information pertaining to the broadcast of political programming and advertisements, and shall provide monthly documentation with respect to such of the Programmer's programs which are responsive to the public needs and interests of the area served by the Stations in order to assist Licensee in the preparation of any required programming reports, and will provide upon request other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer certifies that this Agreement and Programmer's rights and responsibilities hereunder comply with the requirements of Section 73.3555(a) of the FCC rules.

11. **Station Call Letters and Promotion.**

(a) The Programmer shall submit to Licensee any promotional material that will identify the Station by call letters or frequency for approval by Licensee at least two (2) days prior to use of such promotional material by the Programmer. Licensee shall have the right to approve or reject such promotional material, such approval to not be unreasonably withheld or delayed. At no time shall Programmer or its employees or agents represent, hold out, describe or portray Programmer as the Licensee of the Stations.

(b) Licensee hereby grants Programmer the right to change the call letters of the Stations during the term hereof to any call letters Programmer deems appropriate, and Licensee agrees to reasonably cooperate with Programmer to effectuate such a change; provided that all fees and costs incident to changing the call letters shall be paid by Programmer.

12. **Special Events.** Licensee shall have the right, in its reasonable discretion, to preempt any of the broadcasts of the Programming referred to herein, and to use part or all of the hours of operation of the Stations for the broadcast of events of special importance. In all such cases, Licensee will use its best efforts to give the Programmer reasonable advance notice of its intention to preempt any regularly scheduled programming, and in the event of such preemption, the Programmer shall receive a payment credit for any programming that would have been supplied by it during the time of such broadcasts by Licensee.

13. **Right to Use the Programming.** The right to use the Programming produced by the Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times be vested solely in the Programmer except as authorized by this Agreement. Programmer shall ensure that all necessary licensing is obtained of rights necessary for it to broadcast the Programming, and shall indemnify Licensee with respect to any claim, cost or expense to the contrary.

14. **Payola.** The Programmer will provide to Licensee in advance of broadcast any information known to the Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by the Programmer for broadcast on the Stations, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Should the Stations determine that an announcement is required by Section 317 of the Communications Act of 1934 and related FCC rules, the Programmer will insert that announcement in the Programming. The Programmer will obtain from its employees responsible for the Programming appropriate anti-payola/plugola affidavits. Commercial matters with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. The Programmer will at all times comply, and seek to have its employees comply, in all material respects with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related rules and regulations of the FCC.

15. **Compliance with Law.** The Programmer will comply in all material respects with all laws and regulations applicable to the broadcast of programming by the Stations.

16. **Indemnification Rights of Licensee.**

(a) The Programmer will indemnify and hold Licensee, its beneficiaries, its officers, directors, stockholders, partners and employees harmless from and against all claims, charges, loss, damage, fees and expense (including reasonable attorneys' fees and expenses) caused by (a) any breach of Programmer's representations or warranties hereunder, (b) the conduct or negligence of Programmer, its employees or agents, and (c) all liability for libel, slander, illegal competition or trade practice, violation of rights of privacy, and infringement of copyrights or other proprietary rights and violations of the Communications Act of 1934 or FCC rules resulting from the broadcast of Programming furnished by the Programmer. Such indemnification shall survive the termination of this Agreement. Programmer will maintain in full force and effect throughout the term of this Agreement, with responsible and reputable insurance companies, liability insurance with respect to the broadcast of the Programming, and the employment of its personnel naming Licensee as and "also-insured," and shall provide Licensee a Certificate of Insurance to demonstrate the adequacy and sufficiency of such coverage. No investigation by Licensee shall be deemed a waiver or limitation of any of Licensee's rights to indemnification.

(b) In the event that Licensee may be entitled to indemnification hereunder with respect to any asserted claim of, or obligation or liability to, any third party, Licensee shall so notify Programmer, describing the matters involved in reasonable detail, and Programmer shall be entitled to assume the defense thereof upon written notice to Licensee with counsel reasonably satisfactory to the Licensee; provided, that once the defense thereof is assumed by Programmer, Programmer shall keep Licensee advised of all developments in the defense thereof and any related litigation, and Licensee shall be entitled at all times to participate in the defense thereof at its own expense. If Programmer fails to notify Licensee of its election to defend or contest its obligation to indemnify under this paragraph, Licensee may pay, compromise, or defend such a claim without prejudice to any indemnification or other rights it may have hereunder.

17. **Events of Default; Cure Periods and Remedies.**

17.1 **Events of Default.** The following shall constitute Events of Default under this Agreement:

17.1.1. **Non-Payment.** The Programmer's failure to pay any Consideration then due within ten (10) days after written notice.

17.1.2 **Default in Covenants or Adverse Legal Action.** The default by either party in the performance of any material covenant, condition or undertaking contained in this Agreement, and such default is not cured within thirty (30) days after receipt of notice of default, or if either party shall make a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, for reorganization, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within 30 days thereafter.

17.1.3 **Breach of Representation.** If any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the time made or furnished, and such misrepresentation or breach of warranty is not cured within thirty (30) days after receipt of notice of misrepresentation or breach.

17.2 **Termination of Purchase Agreement.** This Agreement will terminate upon the termination of the Purchase Agreement, provided, however, that if the Purchase Agreement is terminated by Licensee, it may elect to require that Programmer continue to program the Station and perform its obligations hereunder for a period of up to ninety (90) days. The provisions of Paragraph 9(a), above, shall apply during such period.

17.3 **Termination Upon Default.** Upon the occurrence of an Event of Default, the nondefaulting party may terminate this Agreement, provided that it is not also in material default under this Agreement. If the Programmer has defaulted in the performance of its obligations, all amounts accrued or payable to Licensee up to the date of termination which have not been paid, less payments made on behalf of Licensee by the Programmer and any payment credits outstanding in favor of the Programmer, shall immediately become due and payable, and Licensee shall be under no further obligation to make available to the Programmer any broadcast time or broadcast transmission facilities, provided, however, that Licensee agrees to cooperate reasonably with the Programmer to discharge any remaining obligations of the Programmer in the form of air time following the effective date of termination provided that such advertising has been sold at the rate of \$75 per advertising unit, or higher; and provided further, that Licensee shall be entitled to retain any revenues derived therefrom based upon the principle that any revenues generated from broadcasts occurring prior to the termination shall be for the benefit of Programmer and any revenues generated from broadcasts occurring after the termination shall be for the benefit of Licensee.

17.4. **Liabilities Upon Termination.** The Programmer shall be responsible for all of its liabilities, debts and obligations accrued from the purchase of broadcast time and transmission facilities of the Stations, including, without limitation, indemnification pursuant to Section 16 hereof, accounts payable, barter agreements and unaired advertisements, but not for Licensee's federal, state, and local tax liabilities associated with Programmer's payments to Licensee as provided for herein, or for any other obligations or liabilities of Licensee or the Stations unless specifically assumed by the Programmer under this Agreement. Upon termination, the Programmer shall return to Licensee any equipment or property of the Stations used by the Programmer, its employees or agents, in substantially the same condition as such equipment existed on the date of this Agreement, ordinary wear and tear excepted, provided that the Programmer shall have no liability to Licensee for any property of Licensee that through ordinary use became obsolete or unusable, and any equipment purchased by the Programmer, whether or not in replacement of any obsolete or unusable equipment of Licensee, shall remain the property of the Programmer. In no event shall Licensee be liable to Programmer for any indirect, consequential or special damages occasioned by operational deficiencies.

18. **Programmer's Option to Terminate.** The Programmer shall have the right, at its option, to terminate this Agreement at any time if Licensee preempts or substitutes other programming for that supplied by the Programmer during ten percent or more of the total hours of operation of either Station in any seven consecutive days. The Programmer shall give Licensee ten (10) days written notice of such termination.

19. **Termination Upon Order of Judicial or Governmental Authority.** If any court of competent jurisdiction or any federal, state or local governmental authority designates a hearing with respect to the continuation or renewal of any license or authorization held by Licensee for the operation of either of the Stations, advises any party to this Agreement of its intention to investigate or to issue a challenge to or a complaint concerning the activities permitted by this Agreement, or orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties to this Agreement of the provision of programming by the Programmer, each party shall have the option to seek administrative or judicial appeal of or relief from such order(s) (in which event the other party shall cooperate with the party seeking relief from such order; the party seeking such relief shall be responsible for all expenses and legal fees incurred in such proceedings). Upon termination, Licensee shall reasonably cooperate with the Programmer to the extent permitted to enable the Programmer to fulfill advertising or other programming contracts then outstanding, provided that such advertising has been sold at a unit rate of \$75 or higher, and further provided that Licensee shall be entitled to retain any revenues derived therefrom based upon the principle that any revenues generated from broadcasts occurring prior to the termination shall be for the benefit of Programmer and any revenues generated from broadcasts occurring after the termination shall be for the benefit of Licensee.

20. **Representations and Warranties.**

20.1 **Mutual Representations and Warranties.** Each of Licensee and the Programmer represents to the other that (a) it is an entity legally qualified and in good standing in

all applicable jurisdictions (b) it is fully qualified, empowered, and able to enter into this Agreement, (c) this Agreement has been approved by all necessary parties or corporate action and that this Agreement constitutes the valid and binding obligation of such party, enforceable in accordance with the terms of this Agreement subject only to applicable bankruptcy, reorganization, insolvency or similar laws affecting creditors' rights generally; and (d) the execution, delivery and performance hereof does not constitute a breach or violation of any agreement, contract or other obligation to which such party is subject or by which it is bound.

20.2. **Representations, Warranties and Covenants of Licensee.** Licensee makes the following additional representations, warranties and covenants:

20.2.1. **Authorizations.** Licensee owns and holds all licenses and other permits and authorizations ("FCC Licenses") necessary for the operation of the Stations as presently conducted (including licenses, permits and authorizations issued by the FCC), and such licenses, permits and authorizations will be maintained in full force and effect for the term of this Agreement, unimpaired by any acts or omissions of Licensee, its principals, employees or agents. The Stations operate at full authorized power in accordance in all material respects with the terms and conditions of the FCC Licenses and in accordance with the rules and regulations of the FCC. Except as may otherwise be set forth in this Agreement, 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 such licenses, permits or authorizations, 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 Stations as presently conducted, except for proceedings affecting the radio broadcasting industry generally. Licensee has no reason to believe that any such license, permit or authorization will not be renewed during the term of this Agreement in its ordinary course. To Licensee's knowledge, Licensee is not in violation of any statute, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operations or assets, which default or violation would have a material adverse effect on Licensee or its assets or on its ability to perform this Agreement.

20.2.2. **Filings.** To the extent that a failure to make such a filing would have a material adverse effect on the Programmer and its rights hereunder, all material reports and applications required of Licensee to be filed with the FCC (including ownership reports and renewal applications) or any other governmental agency, department or body in respect of the Stations have been, and in the future will be, filed in a timely manner and are and will be true and complete and accurately present the information contained therein. All such reports and documents that are required to be kept in the public inspection files of the Stations are and will be kept in such files.

20.2.3. **Facilities.** To the extent a failure to comply would have a material adverse effect on Programmer and its rights hereunder, the Stations' studio and transmission equipment and facilities comply, in all material respects, with the facilities authorized by the FCC

licenses and with engineering standards necessary to deliver a quality technical signal to the areas served by the Stations, and with all applicable laws and regulations (including the requirements of the Communications Act and the rules, regulations, policies and procedures of the FCC promulgated thereunder).

20.2.4. **Title to Properties.** Licensee has, and throughout the term of this Agreement will maintain, good and marketable title to all of the assets and properties used in the operation of the Stations.

20.2.5. **Payment of Obligations.** Licensee shall pay in a timely fashion all of its debts, assessments and obligations, including without limitation tax liabilities and payments attributable to the operations of the Stations, as they come due from and after the effective date of this Agreement.

20.2.6. **Insurance.** Licensee will maintain in full force and effect throughout the term of this Agreement insurance with responsible and reputable insurance companies fire and extended coverage and liability insurance and such other insurance as may be required by law. Except as otherwise permitted by the Purchase Agreement, any insurance proceeds received by Licensee in respect of damaged property will be used to repair or replace such property so that the operations of the Stations conform with this Agreement.

21. **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

22. **No Waiver: Remedies Cumulative.** No failure or delay on the part of Licensee or the Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies that either may otherwise have.

23. **Construction.** This Agreement shall be construed in accordance with the laws of the State of Tennessee. The obligations of the parties to this Agreement are subject to all federal, state or local laws or regulations, including those of the FCC, now or hereafter in force.

24. **Headings.** The headings contained in this Agreement are included for convenience only and shall not in any way alter the meaning of any provision.

25. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party,

provided that Programmer may in its sole discretion, assign all of its right, title, interest and obligation under this Agreement to any entity controlled by, or under common control with Programmer, including any subsidiary of Salem Communications Corporation.

26. **Counterpart Signatures.** This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original and be binding on the parties to this Agreement.

27. **Notices.** Any notice required hereunder shall be in writing and shall be sufficiently given if delivered by overnight delivery service or sent by registered or certified mail, first class postage prepaid, or by telegram, facsimile or similar means of communication, addressed as follows:

If to Licensee, to:

Tuned In Broadcasting, Inc.
401 Church St., 30th Floor
Nashville, Tennessee 37219
Attention: Lester Turner, Jr.
President
Telephone: (615) 366-2531
Facsimile No: (615) 366-2503

With a copy to:

David Oxenford, Esq.
Shaw Pittman, LLP
2300 N. Street NW
Washington, DC 20037-1128
Telephone: (202) 663-8128
Facsimile No.: (202) 663-8007

If to the Programmer, to:

Salem Communications Corporation
4800 Santa Rosa Road, Suite 300
Camarillo, CA 93012
Attention: Jonathan L. Block, Esq.
Vice President and General Counsel
Telephone: (805) 987-0400, Extension 1106
Facsimile: (805) 384-4505

28. **Expenses; Attorney's Fees.** In the event any action is filed with respect to this Agreement, the prevailing party shall be reimbursed by the other party for all costs and expenses incurred in connection with the action, including without limitation reasonable attorney's fees.

29. **Entire Agreement.** This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof.

30. **Severability.** The provisions of this Agreement are severable. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the provision or its application shall be modified to the extent possible to reflect the expressed intent of the parties, but in any event, invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provision or application.

31. **No Partnership or Joint Venture.** This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. Except as otherwise specifically provided in this Agreement, no party to this Agreement is authorized to act as agent of, or otherwise represent, the other party to this Agreement.

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

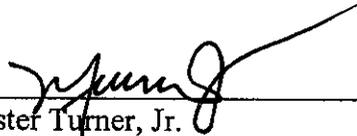
"LICENSEE"

"PROGRAMMER"

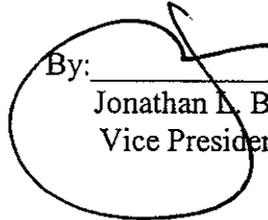
Tuned In Broadcasting, Inc.

Salem Communications Corporation

By: _____


Lester Turner, Jr.
President

By: _____


Jonathan L. Block
Vice President and Secretary

TBA

SCHEDULE 2

The Programmer agrees to cooperate with Licensee in the broadcasting of programs in a manner consistent with the standards of Licensee, as set forth below:

1. **Election Procedures.** At least 90 days before the start of any primary or regular election campaign, the Programmer will coordinate with Licensee's General Manager the rate the Programmer will charge for time to be sold to candidates for public office and/or their supporters to make certain that the rate charged conforms to all applicable laws and the Stations' policy. Throughout a campaign, the Programmer will comply with all applicable laws and rules concerning political candidacy broadcasts and will promptly notify Licensee's General Manager of any disputes concerning either the treatment of or rate charged a candidate or supporter.

2. **Required Announcements.** The Programmer shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Stations, (ii) an announcement at the beginning of each program day, and more often, as appropriate, to indicate that program time has been purchased by the Programmer, and (iii) any other announcement that may be required by law, regulation, or the Stations' policy.

3. **Commercial Recordkeeping.** The Programmer shall maintain such records of the receipt of, and provide such disclosure to Licensee of, any consideration, whether in money, goods, services, or otherwise, which is paid or promised to be paid, either directly or indirectly, by any person or company for the presentation of any programming over the Stations as are required by Sections 317 and 507 of the Communications Act and the rules and regulations of the FCC.

4. **No Illegal Announcements.** No announcements or promotion prohibited by federal or state law or regulation of any lottery, game or contest shall be made over the Stations.

5. **Licensee Discretion Paramount.** In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising or other programming proposed to be presented or being presented over the Stations that is in conflict with law, regulation, the Stations' policy or which in the reasonable judgment of Licensee or its General Manager would not serve the public interest.

6. **Indecency. Hoaxes.** No programming violative of applicable laws and rules concerning indecency or hoaxes will be broadcast over the Stations.

7. **Controversial Issues.** Any broadcast over the Stations concerning controversial issues of public importance shall comply with the then current FCC rules and policies.

8. **Spot Commercials.** The Programmer will provide, for attachment to the Stations' logs, a list of all commercial announcements carried during its Programming.

Licensee 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. In any case where questions of policy or interpretation arise, the Programmer shall notify Licensee before making any commitments to broadcast any programming affected by such issues.

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