

TIME BROKERAGE AGREEMENT

THIS AGREEMENT is entered into as of _____, by and between Nanbec I, LLC and Rodwell, LLC, a North Carolina corporation (“Licensee”), and Gary Burns (“Broker”) (the “Parties” or, individually, a “Party”).

WITNESSETH:

WHEREAS Licensee is the owner, operator, and licensee of broadcast station WCCA FM and WLTT FM which operates on 106.3 MHZ and 103.7 MHZ at Shallotte, North Carolina (the “Station”):

WHEREAS Licensee and Broker have executed an Asset Purchase Agreement (the “Purchase Agreement”) contemplating the assignment of the assets and licenses of the Station from Licensee to Broker pursuant to approval of the Federal Communications Commission (“FCC”): and

WHEREAS Licensee and Broker each desire that Broker provide programming and marketing services to the Station from the date hereof until the Closing Date of the Purchase Agreement, subject to the rules, regulations, and policies of the FCC:

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be bound hereby, agree as follows:

1. **LICENSEE’S TRANSMISSION FACILITIES.** Licensee agrees to make its airtime and broadcast transmission facilities available to Broker and to broadcast over the Station, or cause to be broadcast, certain Programs of Broker (the “Programs”) originating from the Station or from other appropriate facilities. The Programs to be provided by Broker are described in Appendix 1. Any changes in the schedule of regular Programs must be provided by Broker to Licensee at least twenty-four (24) hours in advance.
2. **AMOUNT OF PROGRAMMING: PROGRAMMING FEE:** Subject to the terms of this Agreement, Broker shall provide the Programs for the Station. Broker shall pay to the Licensee a monthly fee of _____ (the “Monthly Fee”). The payment of the Monthly Fee will be due in advance on the first (1st) day of each month during the term of this Agreement. Both the first payment, which shall be due on the date of the execution of this Agreement, and the last payment shall be prorated based on the number of days during the month this Agreement was operative. Except as otherwise provided in this Agreement, Broker shall receive a payment credit for any of its Programs offered for broadcast by Broker, and preempted by Licensee or otherwise not broadcast by the Station, such credit to be determined by multiplying the Monthly Fee by the ratio of the amount of time preempted or not broadcast to the total number of hours of the Programs in the applicable

month. Broker may also deduct from payments due Licensee any amounts collected by Licensee from advertisers for services rendered in whole or in part by Broker after the date of this Agreement, and any amounts due Broker from Licensee under other sections of this Agreement, provided Broker submits with its payment an itemized list of such deductions by description and amount.

3. **TERM.** This Agreement shall commence as of the date hereof and, unless sooner terminated in accordance with the terms hereof, shall continue until the earlier to occur of: (i) the Closing Date of the Purchase Agreement or (ii) the termination of the Purchase Agreement as provided therein (the "Term").

4. **PROGRAMMING AND PROGRAMMING STANDARDS.**

- (a). Broker will furnish all materials for the Programs. The Programs will be delivered to the Station's studios suitable for broadcast in a manner reasonably satisfactory to Licensee.

- (b). The Programs supplied by Broker shall be prepared, written, and broadcast in conformity with the regulations and restrictions set forth in Appendix 2 ("Radio Station WCCA FM & WLTT FM, Regulations and Restrictions"). Licensee reserves the right to refuse to broadcast, suspend, or cancel any Programs which, in Licensee's sole discretion determined in good faith, fail to meet the requirements of this Agreement. If, in addition, the continuity, script, or musical selections furnished by Broker fail to adhere in all material respects to the Regulations and Restrictions set forth in Appendix 2, then Licensee shall have the right, without prejudice to any other rights it may also have, to (1) furnish or substitute continuity, script or musical selections prepared by Licensee, (2) edit the continuity, script, or musical selections as furnished, or (3) refuse to furnish transmission facilities to Broker. In all such cases, however, Licensee will use its best efforts and due diligence to notify Broker of any changes or substitutions in advance of the broadcast.

- (c). In order for Licensee to remain in compliance with the rules and regulations of the FCC, there shall be no restrictions placed upon Licensee's editorial discretion to present controversial community issue-oriented programming, events of special public importance, or emergency programming. As a courtesy to Broker, Licensee will use its best efforts and due diligence to notify Broker of any controversial, special or emergency programming that Broker may deem incompatible with Broker's entertainment programming format. However, Broker has no right to place any present or future restrictions upon Licensee's discretion to broadcast such programming.

5. **RIGHTS TO SELL AND TO RETAIN REVENUES AND RIGHTS IN PROGRAMS:** Subject to Licensee's right to review, reject and/or preempt Broker's Programs. Broker shall have the exclusive right to sell advertising time for the program time purchased from Licensee pursuant to this Agreement. Broker shall be entitled to keep as its

sole and exclusive property all monies, revenues (including, but no limited to, advertising revenues), profits, royalties, fees, trades, and other consideration arising from the broadcast time that Broker purchases. All right, title and interest in and to the Programs, and the right to authorize the use of the Programs in any manner and in any media whatsoever, shall be and remain vested at all times solely in the Broker.

6. **OPERATION OF STATION.**

(a). **Management Authority and Control.** Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the Term of this Agreement. Licensee shall provide and pay the General Manager for the Station, who shall report and be accountable solely to the Licensee, and who shall direct the day-to-day operation of the Station. Licensee shall employ such other personnel (but not less than one) as is necessary to fulfill its obligations as a licensee under the Communications Act of 1934, as amended (the "Communications Act") and Licensee shall bear all costs relating to the employment of such personnel. Licensee shall not retain control, said control to be reasonably exercised, over the policies, programming, and operations of the Station, including, without limitation (and subject to Broker's right to a payment credit pursuant to Section 2 and resolution of disputes as to Broker's compliance with the Station's Regulations and Restrictions), the right to decide whether to accept or reject any programming or advertisements, the right to preempt any Program 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 North Carolina, and the rules, regulations and policies of the FCC. The Parties agree that this Agreement will, at all times, be subject to the rules, regulations and policies of the FCC and that neither will take any action which would be inconsistent with such rules, regulations and policies. If any provision of this Agreement, or any Appendix or attachment to it, is deemed to be in violation of any present or future FCC rules, regulations, or policies, the parties agree to cooperate in modifying this Agreement in such manner as is necessary to effect compliance.

(b). **Coordination of Technical Operation.**

- (i) Broker will advise Licensee of the name, telephone number, and address of the representative of Broker who will be responsible for the day-to-day activities of Broker at the Station, and who will be available to discuss with the Station's General Manager all matters pertaining to the Programs and technical matters concerning, any broadcast.
- (ii) Broker will give Licensee immediate notice by telephone, followed by written confirmation, of any operating deficiency regarding the Station as soon as practicable after Broker has actual knowledge thereof. Likewise, Licensee will give Broker immediate telephone notice, followed by written confirmation, of any operating deficiency regarding the Station after Licensee has actual

knowledge thereof.

(c). **Handling of Correspondence.** Licensee shall not be required to receive or handle mail, cables, telegrams, telephone calls, or other communications in connection with the Programs broadcast under the terms of this Agreement unless Licensee, at the request of the Broker, has agreed in writing to do so. Accordingly, the receiving and handling of mail and other communications will be the responsibility of Broker who shall advise Licensee of any public complaint or FCC complaint or inquiry known to Broker concerning the Programs and shall place in the Station's public file copies of all letters received by the Broker from the public relating to the Programs. If any of the Programs are used to solicit listeners to order merchandise, and if any person so solicited complains to Licensee concerning the quality or failure to receive merchandise ordered pursuant to solicitation on the Programs covered, Broker will, within ten (10) days after notification from Licensee, refund to such person the purchase price of such merchandise, in the event that Broker has received the purchase price, whether or not Broker or Broker's agent has a record of actually having received an order from such person. Upon failure of Broker or Broker's agent to make such refund, Licensee may make such refund and Broker will reimburse Licensee within ten (10) days.

7. **PROGRAMMING RESPONSIBILITIES OF LICENSEE.**

(a). **Community Issue Programming.** It is understood and agreed that Licensee has certain public interest obligations and responsibilities to broadcast programming which covers issues of public importance to the local community. Licensee will ascertain local issues to be addressed on the Station and will prepare the periodic listings of local needs and issues required by the FCC, and, to the extent necessary, Broker will cooperate with and assist Licensee, under Licensee's direction, in preparing and/or airing Licensee's responsive programs. The parties intend that Licensee's will use a substantial portion of the air time so reserved to it to satisfy its programming obligation to air specific programming on issues of importance to the local community. Further, Licensee will prepare a list of the local community issues which will be covered by the Station in each calendar quarter during the term of Agreement. Licensee will also prepare an Issues/Programming Report listing the local issues that were addressed by the Station during each calendar quarter together with the other detailed information regarding the same, and will file the Issues/Programming Report in the Station's public inspection file on a timely basis as required by FCC rules, regulations and policies. Nothing in this Agreement shall abrogate the unrestricted authority of Licensee to discharge its obligations to the public and to comply with the law and the rules and policies of the FCC.

(b). **Station Identification and Public Service Announcements.** Licensee shall coordinate with Broker the Station's hourly station identification announcements to be aired in accordance with FCC rules. Broker and Licensee shall consult as necessary as to the selection and broadcast on the Station of public service announcements ("PSAs"), subject

to the final authority of Licensee.

(c). **Special Events Programming.** Licensee reserves the right in its discretion, but subject to the payment credits set forth in Section 2, to preempt one or more of the Programs referred to, and to such part of the time contracted for in this Agreement by Broker, as Licensee, in its sole discretion, deems necessary for the broadcast of special events of local, regional or national public importance. In all such cases, Licensee will use its best efforts to give Broker reasonable notice of its intention to preempt such broadcast or broadcasts. Should Licensee determine, in its sole discretion, that a specific program should be broadcast by the Station during the hours made available to the Broker on a regularly scheduled basis, Licensee will have the right to do so upon giving reasonable Notice to Broker, provided, however, and subject to the provisions of Paragraph (d) below, that Broker may terminate this Agreement if Licensee preempts fifteen percent (15%) or more of the Programs on the Station during any seven (7) day period.

(d). **Emergency Programming.** Licensee also retains the right to interrupt Broker's programming at any time, in case of an emergency, although both Parties shall cooperate in the broadcast of emergency information over the Station. Broker agrees that Licensee, in its discretion, may preempt broadcast time purchased by Broker and cause the Station to air certain programs in advancing the Station's public interest responsibilities, any may require Broker's reasonable assistance in the production of these programs. Broker agrees to provide all reasonable assistance in both the production and broadcast of such programs.

8. **RESPONSIBILITY FOR COSTS AND EXPENSES.**

(a). **By Broker.**

(i). **Program Production Costs, Licenses, and Fees.** Broker shall be solely responsible for all expenses incurred in the production of Broker's Programs and advertising sales, and for any and all publicity or promotional expenses. Broker will pay all telephone charges associated with program production and listener response, all fees to ASCAP, BMI, SESAC, and any other copyright fees attributable to Broker's Programs broadcast on the Station pursuant to this Agreement, including fees charged by any programming provider, network or syndicator.

(ii). **Program Delivery Costs.** Broker shall be solely responsible for any expenses incurred in the origination and/or delivery of Broker's Programs from any remote location to the main studio of the Station.

(iii). **Taxes Attributable to Broker's Operations.** Broker covenants, warrants, and agrees that all taxes, excluding income withholding taxes, which may be imposed upon any sales solicited on the broadcasts of Broker's Programs shall be paid by Broker or Broker's agent and Broker shall at all times indemnify and hold Licensee harmless from and against

any or all claims arising out of any failure of Broker or Broker's agent to pay such taxes. For the purposes of this Agreement, any advertiser or entity which is solicited by Broker or representative of Broker for any Program, or participation in any Program, shall be deemed to be Broker's agent.

(iv). **Broker's Employees.** Except as otherwise set forth herein, Broker shall employ and be responsible for the salaries, taxes, insurance and other costs related to all of its personnel involved in the production, delivery and broadcast, but not transmission, of Broker's Programs.

(b). **By Licensee.**

(i). **Licensee's Employees.** Licensee will provide, and be responsible for, the Station personnel necessary for the management and operation of the Station, and will be responsible for the salaries, taxes, and related costs for such Station personnel, necessary to fulfill its obligations under FCC policies and to transmit the Programs.

(ii). **Main Studio and Public Inspection File.** Licensee shall continue to maintain its main studios within the Station's principal community contour, as defined by FCC Rules, and also maintain its local public inspection file at that site, or such other location permitted by FCC Rules.

(iii). **Operating Expenses.** Licensee shall pay the following operating expenses ("Operating Expenses"):

(a). All expenses incurred in the operation and maintenance of the transmission facilities of the Station so that the Station will operate in accordance with its licensed parameters:

(b). All insurance of the kinds and in the amounts presently being carried by Licensee covering the employees of Licensee and the Station's transmitter site and main studio:

(c). All federal, state and local taxes on Licensee's (but not Broker's) business operations:

(d). All costs of providing a telephone line from the studio to the transmitter in the name of the Station, electricity and other utility charges for the tower and transmitter building; and

(e). Subject to the foregoing, all expenses incurred in the operation and maintenance of the Station's main studio, except for damage caused by Broker or Broker's agents or employees.

If Licensee fails to pay any of its Operating Expenses for any reason, Broker may, at its sole option, pay any and all of such Operating Expenses and all such sums expended by Broker for Licensee's Operating Expenses shall be deducted from the Monthly Fee due Licensee as set forth in Section 2.

9. **LICENSEE'S RIGHT TO MONITOR AND INSPECT THE OPERATIONS AND RECORDS OF BROKER:** Licensee shall have, under this Agreement, at all reasonable times:

(a). The right to inspect any remote broadcast studios and related facilities used by Broker to prepare, produce, originate, and transmit its programming to the main studios and broadcast transmitter of the Station:

(b). The right to monitor and to review, prior to broadcast, all commercial continuity, scripts, informational, and other non-entertainment programming originating with, or under the aegis and control of Broker:

(c). The right to inspect the rate cards, promotional materials, books of accounts, both receivable and payable, and all other financial records and statements of Broker pertaining to Broker's use of the broadcast time and facilities of the Station and Broker's resale of time on the Station:

(d). The right to inspect and review all contracts or requests for broadcast time for political advertising, issue-oriented advertising, or other sponsored non-entertainment programming. Except as it may be required, by law or regulation, to disclose such information. Licensee, its employees and agents, shall keep all information provided by Broker to it in confidence, and shall not reveal or disclose such information to any other person, except as may be required by law, or under Licensee's licensing agreement with a network, program syndicator, or music licensing organization.

10. **CONDITION OF BROADCAST EQUIPMENT:** All equipment necessary for broadcasting by the Station shall be maintained by Licensee in a condition consistent with good engineering practices and in compliance with the applicable rules and regulations of the FCC in all material respects. All capital expenditures reasonably required to maintain the quality of the Station's signal shall be made at the expense of Licensee in a timely fashion. Any equipment brought to the studio by Broker shall be installed and maintained at Broker's own risk and expense.

11. **INDEMNIFICATION:**

(a). Each party shall indemnify and hold and save each other and their respective directors, officers, shareholders, employees, agents and affiliates harmless against any and all claims, losses, costs, liabilities, obligations, damages, FCC forfeitures, and expenses (including

reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description, resulting from or arising out of (i) any material breach by either Party of a representation, warranty or covenant made herein: (ii) the conduct of the Parties, their employees, representatives, contractors or agents in performing their obligations hereunder: and (iii) the production and broadcast of the programming either Party furnishes, including, without limitation, claims for or charges of libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, infringement of copyrights and proprietary rights, or programming found to violate material rules or regulations of the FCC. Licensee reserves the right to refuse to broadcast any Program containing matter which is, or in the reasonable opinion of Licensee may be, or which a third party claims to be, violative of any right of theirs or which may constitute a “personal attack” as that term is defined by the FCC’s rules and policies.

(b). As a condition precedent to the indemnity obligation of any Party hereto, the Party requesting indemnification (“Indemnatee”) shall give the other Party (“Indemnitor”) notice of any such claim for indemnity promptly after the Indemnatee has knowledge or notice in writing thereof, and the Indemnatee must cooperate and assist the Indemnitor in the defense of such claim and shall not settle, adjust compromise, interfere with or otherwise admit or pay such claim without the prior written consent of the Indemnitor in accordance with the procedures set forth in Section 14 of the Purchase Agreement.

(c). The obligations of the Parties set forth in this Section shall survive the termination of this Agreement and shall expire one (1) year after the Closing Date as defined in Section 1(a) of the Purchase Agreement.

12. **EVENTS OF DEFAULT:** Should an event of default occur, and subject to the cure period specified in Section 13 herein, either Party may terminate this Agreement upon written notice to the defaulting Party. The following constitute “Events of Default” under this Agreement:

(a). **Nonpayment:** Broker’s failure to timely pay the consideration due to Licensee provided for by this Agreement, as and when due and payable:

(b). **Default in Covenants:** Either Party’s material default in the observance or performance or any of its covenants, conditions or agreements contained in this Agreement:

(c). **Violation of Licensee’s Programming Standards:** Either Party’s failure to provide programming in material compliance with the Station’s Regulations and Restrictions, as set forth in Appendix 2, or of the rules, regulations and policies of the FCC:

(d). **Breach of Warranties and Representations:** Either Party’s material representation or warranty made by it in this Agreement, or in any certificate or document furnished pursuant to the provisions hereof, which proves to have been false or misleading in any

material respect as of the time made or furnished:

(e). **Insolvency, Bankruptcy, Liquidation:** If either Party becomes insolvent or unable to pay for its debts as they mature, files a voluntary petition for relief or is the subject of an involuntary petition under the United States Bankruptcy Code or any state insolvency or similar law and, in either case, such petition is not dismissed within sixty (60) days of its filing, makes an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets, or applies for or consents to or suffers the appointment of any receiver or trustee for it or a substantial part of its property or assets:

(f). **Default Under the Purchase Agreement:** The occurrence of a material default under the Purchase Agreement that exists beyond any applicable cure period and that results in the termination of the Purchase Agreement.

13. **CURE PERIOD.** If either Party believes the other to be in default hereunder, such Party shall provide the other with written notice specifying in reasonable detail the nature of the default. The defaulting Party shall have twenty (20) days after delivery of such notice [or such additional reasonable time as the circumstances may warrant provided the Party in default undertakes diligent good faith efforts to cure the default within such twenty (20) day period and continues such efforts thereafter] to cure the default to the reasonable satisfaction of the non-defaulting Party. Nothing in this Section 13 shall extend or supplant the sixty (60) day period provided for in Section 12 (e) or the cure period contemplated by the Purchase Agreement.

14. **TERMINATION OF DEFAULT.**

(a). Upon termination of this Agreement due to the default of the Broker, and provided that Licensee is not then in default hereunder, (i) Licensee shall be under no further obligation to make available to Broker any further broadcast time on, or the broadcast transmission facilities of, the Station, and (ii) all amounts accrued or payable to Licensee up to the date of such termination which have not been paid shall immediately become due and owing.

(b). Upon termination of this Agreement due to the default of the Licensee, and provided that Broker is not then in default hereunder, Broker will not be liable for any further payment of the Monthly Fee set forth in Section 2 and will be entitled to a prorated rebate of any advance payment as provided in section 2.

(c). In addition to any rights or remedies set forth herein, the Parties agree that each Party's rights pursuant to this Agreement are unique and that if the other Party breaches any representation, warranty or covenant contained herein or is in default hereunder, damages would be extremely difficult to ascertain and that the non-defaulting Party would be irreparably injured if this Agreement were not specifically enforced. Therefore, the non-defaulting Party has the option to (i) enforce by specific performance the defaulting Party's

performance under this Agreement and the defaulting Party hereby waives the defense in any such action that the non-defaulting Party has an adequate remedy at law and will interpose no opposition, legal or otherwise, as to the property of specific performance as a remedy: or (ii) seek actual damages in the appropriate circumstances.

15. **TERMINATION OF AGREEMENT OTHER THAN BY DEFAULT.**

(a). This Agreement may be terminated by either Party, after ten (10) days written notice to the other, upon the occurrence of one more of the following events or conditions:

(i). A final rule or order (such that it is no longer subject to administrative or judicial reconsideration, review or appeal) issued by an administrative agency, which has the effect of rendering the substantial operating provisions of this Agreement null and void or a violation of the FCC's regulations.

(ii). If the Station suspends operation for a period of five (5) consecutive days or for an aggregate of ten (10) days within any calendar month, provided that the Party giving notice of termination is without fault in connection with such suspension or reduction of broadcast operation, or is not otherwise in material breach of this Agreement: and provided further, that Station operations are not resumed within the ten (10) day notice period defined in this Section 15 (a):

(iii). A court of competent jurisdiction in the State of North Carolina or a federal or local government authority declares this Agreement to be null and void, and of no further effect:

(iv). Grant of the FCC application for assignment of the Station's Licenses does not become final (as defined in this Section 15 (a)(i) herein) within nine (9) months of the date of filing with the FCC of the Parties' Assignment Application, as defined in Section 4 of the Purchase Agreement.

(b). Upon any termination or expiration of this Agreement not due to either Party's material default hereunder, Licensee shall be under no further obligation to make available to Broker any further broadcast time on, or broadcast transmission facilities of, the Station, and all amounts payable or accrued to Licensee by Broker or to Broker by Licensee (including any rebates provided for in this Agreement) up to the date of such termination or expiration which have not been paid shall, within five (5) business days after such termination or expiration, become due and payable by Broker or Licensee, including debts and obligations of Broker resulting from the use of air time and transmission facilities and accounts payable. The Parties agree that no expiration or termination of this Agreement shall limit or impair either Party's right to receive payments due and owing to it hereunder on or before the date of such termination.

16. **ADJUSTMENT OF ACCOUNTS UPON TERMINATION OF THIS**

AGREEMENT. Should this Agreement terminate without successful consummation of the transactions contemplated by the Purchase Agreement executed simultaneously herewith, or for any other reason not due to either Party's material default hereunder as provided in Section 15 above, Broker shall promptly provide Licensee with a list of all contracts, accounts, barter arrangements, and other obligations of Broker to provide air time on the Station for the promotion or benefit of a sponsor or other third party (the "Unperformed Obligations"). Licensee shall, within ten (10) business days thereafter, advise Broker which of the Unperformed Obligations Licensee will assume.

17. **NOTICES.**

(a). Any notice required or permitted under this Agreement shall be in writing. Any payment, notice, or other communication shall be deemed given when delivered personally or mailed by an overnight delivery service that provides written confirmation of delivery, or by certified mail, postage paid, with return receipt requested, and addressed as follows:

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| If to Licensee: | Roy O. Rodwell 19 Greenwood Rd. Asheville, NC 28803 |
| With a copy to: (which shall not constitute notice) | Michael Ortiz, Esquire. Faison/Gillespie 5517 Chapel Hill Blvd. Suite 2000 Durham, NC 27717 |
| If to Broker: | Gary E. Burns Burns Media Strategies P.O. Box 348 Forest, VA 24551 |
| With a copy to: (which shall not constitute notice) | |

(b). Any party may supplement or amend the foregoing names and addresses by providing Notice to the other party.

(c). If any notification, communication or action is required or permitted to be given or taken within a certain period of time and the last date for doing so falls on a Saturday, Sunday, a

federal legal holiday by law in the state of North Carolina, the last day for such notification, communication, or action shall be extended to the first (1st) date thereafter which is not a Saturday, Sunday or legal holiday.

18. **FORCE MAJEURE.** Any failure or impairment or any delay or interruption in the broadcast of the Programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof, or other causes beyond the control of Licensee shall not constitute a breach of this Agreement, unless such failure or impairment should continue for more than thirty (30) days, and Licensee will not be liable to Broker, except to the extent of allowing in each case a payment credit to the Broker for the total time of such broadcast interruption based upon a *pro rata* adjustment to the Monthly Fees due pursuant to the formula set forth in Section 2 herein. If such failure or impairment continues for more than thirty (30) days, then Broker may, at its sole discretion, terminate this Agreement in accordance with the provisions of Section 15 herein. Broker's failure to exercise this termination option shall not relieve Licensee of its obligation to continue to provide the payment credits set forth in this Section until the authorized operation is restored.
19. **COMPLIANCE WITH LAW.** Broker agrees that, throughout the Term of this Agreement, Broker will comply in all material respects with laws and regulations applicable to the conduct of the Station's business and Broker acknowledges that Licensee has not urged, counseled, or advised the use of any unfair business practice.
20. **AUTHORITY AND CAPACITY.** Both Licensee and Broker represent that they are legally qualified, empowered, and able to enter into this Agreement, and, to the extent necessary, have full authorization from their governing boards.
21. **ASSIGNMENT.** Neither Party may assign its rights or obligations to a third party without the express written consent of the other Party, which consent shall not be unreasonably withheld, except that, notwithstanding the foregoing, each Party has the right to assign as collateral, its rights and obligations under this Agreement to an institutional lender or other party providing credit or financing to such Party for this transaction. The Party making such an assignment shall provide notice of same to the other Party.
22. **SUCCESSORS IN INTEREST.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.
23. **NO WAIVER: REMEDIES CUMULATIVE.** No failure or delay on the part of Licensee or Broker in exercising any right or power under this Agreement will operate as a waiver of that right or power, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce any right or power, preclude any other or further exercise thereof or the exercise of any other right of power. The rights and remedies of Licensee and Broker provided in this Agreement are cumulative

and are not exclusive of any right or remedies which either may otherwise have.

24. **GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the laws of North Carolina.
25. **APPENDICES:** All Appendices and other attachments to this Agreement shall be deemed part of this Agreement and fully incorporated herein. If any provision in any appendix or other attachment conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.
26. **HEADINGS.** The headings of the paragraphs of this Agreement are inserted solely for convenience and in no way define, limit, or describe the scope of this Agreement nor the intent of any paragraph hereof.
27. **COUNTERPART SIGNATURES.** This Agreement may be executed in counterparts.
28. **ENTIRE AGREEMENT.** This Agreement embodies the entire understanding between the parties and supersedes all other agreements, representations, warranties, or understandings, whether oral or written, regarding its subject matter except for the Purchase Agreement. No alteration, modification, or change of this Agreement shall be valid unless by like instrument.
29. **SEVERABILITY.** If any provision contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained in this Agreement.
30. **COMPLIANCE COSTS.** If any suit be instituted to compel compliance with the provisions of this Agreement and/or to recover damages for the breach thereof, the prevailing party shall be entitled, in addition to any other remedies, to reimbursement of all reasonable litigation expenses, including reasonable attorney's fees.
31. **NO JOINT VENTURE.** Nothing in this Agreement shall be construed or interpreted to render Licensee or Broker partners or joint venturers, or to make one an agent or representative of the other, or to afford any rights to any third party other than as expressed provided herein. Neither Broker nor Licensee is authorized to bind the other with respect to any contract, agreement or understanding except as expressly set forth herein. Broker and Licensee acknowledge that the call letters, trademarks, trade names and other intellectual property ("Intellectual Property") currently held by Broker and Licensee shall at all times remain the separate property of such current owner and that neither Party shall obtain any ownership interest in the other Party's Intellectual Property by virtue of this Agreement.

32. **CERTIFICATIONS.** Licensee, by the signature of its undersigned authorized representative, certifies that it maintains and will continue to maintain ultimate control over the Station's facilities, including specifically, control over the Station's finances, personnel and programming. Broker certifies that the arrangement contemplated by this Agreement complies with the provisions of paragraph (a) of Section 73.3555 of the FCC Rules.

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

**NANBEC I, LLC.
RODWELL, LLC.**

By: _____
Roy O. Rodwell

Gary E. Burns

By: _____
Gary E. Burns

APPENDICES

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| Appendix I | Broker's Programs |
| Appendix 2 | Regulations and Restrictions |

RADIO STATION WLTT-FM & WCCA-FM

Regulations & Restrictions

Broker agrees to cooperate with Licensee 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. CONTROVERSIAL ISSUES.** 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 or 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, Licensee may require that responsive programming be aired.

- II. NO PLUGOLA OR PAYOLA.** The following business activities or “plugs”, relating to the payment, acceptance or payment, agreement to pay, or agreement to accept payment of money or other consideration is prohibited:
 - (a). Taking money, gifts, or other compensation from any person for the purpose of playing any record or records on the air:

- (b). Taking money, gifts, or other compensation from any person for the purpose of refraining from playing any record or records on the air:
- (c). Taking money, gifts, or other compensation from any person for the purpose of promoting any business, charity, or other venture without first informing the Station's General Manager, and
- (d). Promoting any business venture which is unconnected with the Station on the air without first informing the General Manager.

III. ELECTION PROCEDURES. At least ninety (90) days before the start of any primary or regular election campaign, Broker will clear with the Station's General Manager the rate to be charged for the time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged is in conformance with the applicable law and station policy.

IV. PROGRAMMING PROHIBITION. Broker shall not 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 of either program idea or copy, or any unfair competition.
- (c). **Commercial Disparagement.** Any disparagement of competitors or competitive goods.
- (d). **Indecency.** Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive, or offensive, either in theme or in treatment.
- (e). **Price Disclosures.** Any price mentions except as permitted by Licensee's policies current at office time.
- (f). **Unauthenticated Testimonials.** Any testimonials which cannot be authenticated.
- (g). **Descriptions of Bodily Functions.** Any continuity which describes, in a patently offensive manner, internal bodily functions or symptomatic results of internal disturbances, or references to matters which are not considered acceptable topics in social groups.

- (h). **Conflict Advertising.** Any advertising matter or announcement which may, in the opinion of Licensee, be injurious or prejudicial to the interests of the public, the Station, or honest advertising and reputable business in general.
- V. NO LOTTERIES.** Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited. This prohibition includes announcements with respect to bingo parties and the like which are to be held by a local church, unless expressly permitted by state law.
- VI. NO “DREAM BOOKS”.** References to “dream books”, the “straight line”, or other direct or indirect descriptions or solicitations relative to the illegal numbers lottery, “numbers game”, or the “policy game”, or any other form of gambling are prohibited.
- VII. NO NUMBERS GAMES.** References to chapter and verse numbers, paragraph numbers, or song numbers which involve the three digits should be avoided and, when used, must be related to the overall theme of the program.
- VIII. NO INDIAN BANKING CARD GAMES.** The broadcast of information which promotes the patronizing of gambling casinos is prohibited.
- IX. NO INDIAN BANKING CARD GAMES.** The mention of Indian banking card games such as baccarat, chemin de fer, and blackjack, as well as electronic or electromechanical facsimiles of any game of chance or slot machines, casino gambling, craps, roulette and betting parlors is prohibited.
- X. NO OFF-RESERVATION INDIAN RAFFLES.** The mention of any Indian gaming, such as raffle, conducted off Indian lands, is prohibited.
- XI. REQUIRED ANNOUNCEMENTS.** Broker shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station, (ii) an announcement at least twice a day to indicate that program time has been purchased by Broker, and (iii) any other announcements that may be required by law, regulation, or Station policy.
- XII. RELIGIOUS PROGRAMMING RESTRICTIONS.** Any programming broadcast by Broker is subject to the following restrictions:
- (a). **Respectful of Faiths.** The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.
- (b). **No Denominational Attacks.** Programs shall not be used as a medium for attacks on any faith, denomination, or sect, or upon any individual or

organization.

(c). **Donation Solicitation.** Request for donations in the form of a specific amount (for example, \$1.00 or \$5.00), shall not be made if there is any suggestion that such donation will result in miracles, cures, or prosperity. However, statements generally requesting donations to support the broadcast or the church are permitted.

(d). **Treatment of Parapsychology.** The advertising or promotion of fortune telling, occultism, astrology, phrenology, palm reading, or numerology, mind-reading character readings or subjects of the like nature is not permitted.

(e). **No Miracle Solicitations.** Any invitations by the minister or other individual appearing on the program to have listeners come and visit him or her for consultation or the like shall not be made if such invitation implies that the listeners will receive consideration, monetary gain, or cures for illness.

(f). **No Miracle Solicitation.** Any invitations to listeners to meet at places other than the church and/or attend other than regular services of the church is prohibited if the invitation, meeting, or service contains any claim that miracles, cures, or prosperity will result.

XIII. CREDIT TERMS ADVERTISING. Pursuant to rules of the Federal Trade Commission, no advertising of credit terms shall be made over the Station beyond mention of the fact that if desired, credit terms are available.

XIV. COMMERCIAL RECORD KEEPING. Broker shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly (including to relatives) from any persons or company for the presentation of any programming over the Station without reporting the same in advance to and receiving the prior written consent of Licensee's General Manager. No commercial messages ("plugs") or undue references shall be made in programming presented over station to any business venture, profit making activity, or other interest (other than noncommercial announcements for bona fide charities, church activities, or other public service activities) in which Broker (or anyone else) is directly or indirectly interested without the same having been approved in advance by Licensee's General Manager and such broadcast being announced and logged and sponsored.

XV. NO ILLEGAL ANNOUNCEMENTS. No announcements or promotion prohibited by federal or state law, or regulation of 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 to

Licensee, which reserves the right in its sole discretion to reject any game, contest or promotion.

XVI. 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 programming or advertising proposed to be presented or being presented over the station which is in conflict with Station policy or which in the Licensee or its General Manager's sole judgment would not serve the public interest.

XVII. ECONOMIC PROGRAMMING. Broker shall advise the General Manager of the Station with respect to any economic programming. Broker shall not advertise such recordings as available for sale except for one to two announcements in passing during each half hour, which announcements shall clearly identify Broker's financial interest.

XVIII. FOREIGN LANGUAGE PROGRAMS. The foreign language broadcast of any programs, commercials, announcements, PSAs, or other content, where the English translation thereof would violate any restriction contained therein, is prohibited.

XIX. MISCELLANEOUS.

(a). **Waiver.** Licensee may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest will result.

(b). **Prior Consent.** In any case where questions of policy or interpretation arise. Broker should submit the same to Licensee for decision before making any commitments in connection therewith.

