

LOCAL MARKETING AGREEMENT

ALEXANDRA COMMUNICATIONS, INC., a Washington corporation (“Licensee”), and INSPIRATIONAL FAMILY RADIO, INC., an Idaho corporation (“Programmer”), this 10th day of November, 2015 (the “Execution Date”), hereby enter into this LOCAL MARKETING AGREEMENT (the “Agreement”) under the terms and conditions specified herein. The parties hereto are collectively referred to herein as the “Parties” and each individually is referred to herein as a “Party.”

WITNESSETH:

WHEREAS, Licensee owns and operates radio station KUJJ(FM), McCall, ID, FAC ID#191489 (the “Station”);

WHEREAS, Licensee (as seller) and Programmer (as buyer) are parties to an Asset Purchase Agreement (the “Purchase Agreement”) of even date herewith with respect to the Station;

WHEREAS, Programmer desires to acquire time on the Station for the provision of programming and the generation of advertising sales;

WHEREAS, Licensee desires to accept the programming produced by Programmer and to make broadcasting time on the Station available to Programmer on terms and conditions which conform to the FCC’s (defined below) rules and policies, and to this Agreement; and

WHEREAS, this Agreement complies with the local and national multiple station ownership and audience reach limitations of Section 73.3555 and the program duplication limitations of Section 73.3556 of the rules and regulations of the Federal Communications Commission (the “FCC” or “Commission”).

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in light of the mutual promises and covenants contained herein, Licensee and Programmer hereby agree, as follows:

1. Use of Station Facilities. Upon the Effective Date of this Agreement, Licensee will, subject to the terms and conditions of this Agreement, make available to Programmer the broadcast transmission facilities of the Station on a twenty-four (24) hour per day, seven (7) day per week basis for carriage on the Station of programs produced and/or selected by Programmer and advertising messages delivered by Programmer provided that any and all programming material proffered by Programmer for carriage on the Station will be in material compliance with any and all applicable laws and governmental regulations, including but not limited to the Communications Act of 1934, as amended (the “Act”), and the rules and regulations of the FCC.
2. Insertion of Commercials. Programmer shall have the unilateral and exclusive right to insert commercial matter in programming proffered for carriage on the Station under Paragraph 1 of this Agreement at such rates or shared rates as Programmer, in the exercise of its unilateral

discretion, deems appropriate. Programmer shall have sole responsibility for the billing and collection of fees and other charges for all commercial matter aired on the Station during the term of this Agreement.

3. Programming and Advertising Contracts.

(a) Program Standards. All programming shall be prepared and presented in conformity with the Program Standards described in Exhibit A hereto.

(b) Responsive Programming. Licensee shall retain the right and responsibility to air programming it deems reasonably responsive to the needs and interests of McCall, Idaho, and the surrounding service area. To exercise its rights under this sub-Paragraph, Licensee shall deliver its advance written notice(s) to Programmer reasonably advising Programmer of relevant Public Service Announcements (“PSAs”), local news items, or other material deemed essential to Licensee's compliance with the Act, FCC rules and policies, or the public interest with the understanding that, absent the need for a broadcast under the Emergency Alert System (“EAS”) or other emergency matters, Licensee will provide Programmer at least seven (7) days prior notice of the time it requests for the insertion of PSAs, local news items, or other public interest material.

(c) Equal Opportunities and Personal Attack Requests. Licensee will forward to Programmer within two (2) business days any and all requests which Licensee receives for the purchase of air time by qualified candidates for Federal office, requests for equal opportunities by legally qualified candidates, requests to respond to personal attacks over the Station, and requests by legally qualified candidates for a right to respond to political editorials.

(d) Advertising Contracts. As of the Effective Date of this Agreement, Licensee shall, if agreed to by the Parties in writing, assign to Programmer rights to any contracts which Licensee has in place for the carriage of commercial matter on the Station. From the Effective Date of this Agreement, Programmer shall have no obligation to carry such advertising matter on the Station unless appropriately compensated.

4. Effective Date and Term of Agreement.

(a) Effective Date. This Agreement shall become effective five (5) business days after the Execution Date (the “Effective Date”).

(b) Term and Termination. From the Effective Date, this Agreement shall have a term of not more than one (1) year, subject to the conditions of termination set forth in Paragraphs 5 and 17 hereinbelow.

5. Purchase Agreement. This Agreement shall terminate automatically upon closing under the Purchase Agreement. This Agreement may be terminated by either party by written notice to the other in the event of any expiration or termination of the Purchase Agreement.

6. Consideration and Payment. For each full calendar month in which it uses the broadcast

transmission facilities of the Station, Programmer shall pay Licensee a monthly payment of One Thousand Dollars (\$1,000.00) plus direct or indirect reimbursement of Licensee's reasonable expenses associated with the operation of the Station as set forth on Exhibit B hereto. Except as set forth on Exhibit B, Programmer is not obligated to reimburse any other expenses of Licensee.

7. Pro-rations. Operations of the Station shall be pro-rated to the Effective Date of this Agreement. Licensee shall be responsible for the payment of its accounts payable in existence prior to and as of the Effective Date of this Agreement.

8. Expenses. The Parties shall be responsible for the following expenses during the term of the Agreement, respectively:

(a) Licensee. Without limitation, Licensee shall have sole responsibility on and after the Effective Date of this Agreement for:

(i) Any and all personnel expenses, including but not limited to: salary, payroll taxes, and benefits incurred by or for Licensee's employees;

(ii) Any and all rental and/or mortgage expenses for the Station's transmitter site, studio and offices, and any equipment purchase and/or lease payments;

(iii) Any and all utility bills, (gas, water, telephone (other than toll charges or listener call-in lines), and electricity) rendered at or in conjunction with the Station's studios, offices, and transmission facilities;

(iv) Payment of all taxes, licenses, and other governmental fees necessary for the lease, use, and ownership of the Station's facilities to include without limitation FCC Regulatory Fees;

(v) Insurance to cover loss of or damage to the Station's facilities and general liability insurance in the minimum amount of \$100,000 per incident and \$300,000 per occurrence with Programmer named as an additional insured on said policy(ies); and

(vi) Necessary replacement and general maintenance of the Station's transmission, production, and office equipment, furnishing, and fixtures, provided that such replacement and/or repair is not caused by Programmer's negligence or misuse of same.

(b) Programmer. Without limitation, Programmer shall have sole responsibility after the Effective Date for the following:

(i) Any and all expenses incurred in the production or distribution of Programmer's programming to be aired on the Station (other than PSAs, news items, and other material inserted at the request of Licensee), including but not limited to air talent, satellite network expenses or fees, and production of commercials;

(ii) Any and all expenses associated with the sale of commercial time in

Programmer's programming aired on the Station, including but not limited to commissions to sales personnel, agencies, and broadcast representatives, promotional costs, and other marketing materials;

(iii) Payroll taxes for Programmer's personnel used in the provision of programming and commercial matter contemplated herein; and

(iv) Any and all fees charged by ASCAP, BMI, and SESAC for Programmer's programming aired after the Effective Date.

9. Control of Station. Notwithstanding anything in this Agreement to the contrary, Licensee shall at all times retain, and hereby so certifies that it has, ultimate control over the Station's operation, including but not limited to its finances, personnel, and programming. Licensee will maintain a main studio for the Station within the Station's city grade contour, which will be staffed by a Manager, a designated Chief Operator, and such other personnel as Licensee deems necessary and appropriate for the operation of the Station in the public interest. The Manager and Chief Operator are referred to herein as the "Licensee Employees." Licensee will also maintain a public inspection file at the main studio which will include all items required to be retained under FCC rules and policies, including but not limited to this Agreement. Licensee shall retain the right to reject any programming proffered by Programmer under this Agreement if, in the sole opinion of Licensee, such programming is in violation of any applicable law, governmental policy or rule, or otherwise inconsistent with the public interest.

10. Personnel.

(a) On or before the Effective Date of this Agreement, Licensee shall deliver to Programmer a list of the Station's employees and the benefits provided to each employee showing:

(i) The names of all persons on the payroll of Station, together with a statement of the amount paid or payable to each such person for their services;

(ii) The bonus or other material compensation arrangements and personnel benefits or policies in effect, if any, for each employee;

(iii) A complete copy of each such plan, benefit and policy; and

(iv) Vacation allowance per employee.

(b) Licensee has made no representation to any of the Station's employees concerning employment by Programmer after the Effective Date of this Agreement. Any decision by Programmer to employ any of the employees of the Station in the operation of the Station on or after the Effective Date of this Agreement is made in its sole discretion absent any representation or warranty as to the qualifications of such employee by Licensee. In no event shall Programmer be obligated to employ, hire, or engage any of Licensee's employees or independent contractors. Such employment or engagement, if any, shall be exclusively within the sole discretion of

Programmer.

(c) Programmer may provide to any person who is employed by Licensee for the Station on the day prior to the Effective Date of this Agreement but who is not retained by Licensee thereafter with an opportunity to file an application with Programmer for future employment at the Station.

11. Force Majeure. Licensee shall not be liable to Programmer or be deemed to be in breach of this Agreement for any malfunction of the Station's facilities, or for any delay or interruption in the broadcast of programming proffered by Programmer, due to acts of God, strikes or threats thereof, or other causes beyond the reasonable control of Licensee.

12. Accounts Receivable. Prior to or on the Effective Date, Licensee shall provide to Programmer a true and complete list of the Station's Accounts Receivable ("A/R") as of the Effective Date and the aging thereof. During the ninety (90) day period following the Effective Date (the "Collection Period"), Programmer shall use reasonable efforts to collect the A/R, consistent with its usual collection practices (but without obligation to institute legal proceedings or use any other extraordinary means of collection). Each payment received by Programmer that is not specifically designated in writing as a payment of a particular invoice or invoices shall be presumptively applied by Programmer to the A/R for such customer outstanding for the longest amount of time; provided, however, that if, after the Effective Date, Programmer or Licensee receives a written notice of dispute from a customer with respect to an A/R that has not been resolved, then Programmer shall apply any payments from such customer to such customer's oldest, non-disputed A/R. Programmer shall remit such collections to Licensee within ten (10) days after the end of each calendar month in the Collection Period. At the end of the Collection Period, Programmer shall have no further obligation with respect to the A/R.

13. Retention of Broadcast Rights. Programmer shall retain whatever copyrights and other retransmission rights it has to and in any and all programming proffered for carriage on the Station, and no programming supplied to Licensee pursuant to this Agreement shall be rebroadcast, copied, or made available for any other use without the prior written consent of Programmer.

14. Filing with FCC. The Parties will cooperate in obtaining any required FCC approval of this Agreement. To that end, the Parties will negotiate in good faith to amend any provision which the FCC advises the Parties, either formally or informally, is unlawful. If required by the FCC, the Parties will file a copy of this Agreement with the FCC within thirty (30) days from the Effective Date of this Agreement.

15. Indemnification.

(a) Programmer hereby agrees to indemnify and otherwise hold Licensee harmless against any and all liability for libel, slander, illegal competition or trade practices; infringement of trademarks, trade names, or program titles; and infringement of copyrights and proprietary rights resulting from the carriage of programming supplied by Programmer over the Station's broadcast transmission facilities. Licensee shall have the right to refuse to broadcast any programming proffered by Programmer under this Agreement which, in the reasonable opinion of Licensee, contains matter which is or may be in violation of any right of any third party or constitute a personal attack under FCC policy and rules.

(b) Licensee hereby agrees to indemnify and hold Programmer and the property of Programmer free and harmless from any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys' fees and expenses, of any kind and description, contingent or otherwise, occasioned by, arising out of, or resulting from the operation of the Station prior to and/or subsequent to the Effective Date of this Agreement.

16. Representations.

(a) Joint Representations. The Parties represent to each other that they are each legally qualified, authorized, and otherwise able to enter into this Agreement.

(b) Licensee Representations. Licensee represents (i) that it has all licenses and other authorizations from the FCC and other governmental authorities necessary to operate the Station as currently operated and (ii) that it is not aware of any investigation, complaint, petition, objection, or other event, existing or threatened, which, if acted on in a manner adverse to Licensee, would have a material adverse impact on the Station's FCC authorizations or the Station's current operations.

17. Events of Default.

(a) Definition of Default. The following shall each constitute, after the expiration of any applicable cure period, an Event of Default:

(i) Non-Payment. Programmer's failure to make payments to Licensee as required by Paragraph 6 of this Agreement.

(ii) Breach of Representation. If any representation or warranty made in this Agreement by any Party, or in any certificate or document furnished pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

(iii) Breach of Covenants. A Party is in material breach of any obligation or representation assumed or made under this Agreement, including but not limited to, compliance with the Act and FCC rules and policies.

(b) Cure Periods. An Event of Default shall not be deemed to have occurred until the expiration of ten (10) business days after one Party has provided the other Party with written notice specifying the event or events that, if not cured, would constitute an Event of Default, and the Party in receipt of such notice has not cured the default or otherwise demonstrated that there is no default.

(c) Termination upon Default. In the event of the occurrence of an Event of Default, either Party may terminate this Agreement without further liability to the other Party except for amounts accrued but not yet paid to Licensee under Paragraph 6 (unless the liability for such payments is offset by damages incurred by Programmer).

18. Finders, Consultants, and Programmer. The Parties hereby represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this Agreement other than MCH Enterprises, Inc., which has acted as broker for Licensee in this transaction. Licensee agrees to pay the fees due to MCH Enterprises, Inc. on the Effective Date of this Agreement.

19. Waivers. No waiver or delay by a Party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law.

20. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho.

21. Headings. The headings of the provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

22. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

23. Counterpart Signatures. This Agreement may be signed in one or more counterparts, all of which shall be deemed to be a single agreement, binding on the Parties hereto.

24. Notice. Any notice required or allowed under this Agreement shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested (postage prepaid), or sent by an overnight delivery service (charges prepaid) or electronic mail, and addressed to the following:

(a) If to Seller, then to:

Alexandra Communications, Inc.
1600 Gray Lynn Dr.

Walla Walla, WA 99362
Attention: Thomas D. Hodgins, President
E-mail: tom@kujam.com

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

Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W., Suite 301
Washington, DC 20016
Attention: Mark B. Denbo, Esq.
E-mail: mdenbo@fccworld.com

(b) If to Buyer, then to:

Inspirational Family Radio, Inc.
1440 S. Weideman Ave.
Boise, ID 83709
Attention: Beth Schafer, President
E-mail: beth@myfamilyradio.com

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

Wiley Rein, LLP
1776 K Street, N.W.
Washington, DC 20006
Attention: Kathleen A. Kirby
E-mail: KKirby@wileyrein.com

or to any other address as the Parties may from time to time designate in writing in accordance with this Paragraph 24.

25. Entire Agreement. This Agreement embodies the entire understanding between the Parties and supersedes any and all prior and contemporaneous agreements, representations, warranties, or understandings, oral or written, between the Parties with respect to the subject matter hereto. This Agreement may be modified only by a document executed by both Parties.

26. Severability. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein, provided that the provision held to be invalid, illegal, or unenforceable is not central to the purpose of the Agreement to afford Programmer the right to supply programming to be aired on the Station for consideration.

IN WITNESS WHEREOF the Parties have executed this Local Marketing Agreement as of the date first above written.

LICENSEE
ALEXANDRA COMMUNICATIONS, INC.

BY: 

Thomas D. Hodgins, President

PROGRAMMER
INSPIRATIONAL FAMILY RADIO, INC.

BY: _____
Beth A. Schafer, President

IN WITNESS WHEREOF the Parties have executed this Local Marketing Agreement as of the date first above written.

LICENSEE
ALEXANDRA COMMUNICATIONS, INC.

BY: _____
Thomas D. Hodgins, President

PROGRAMMER
INSPIRATIONAL FAMILY RADIO, INC.

BY: Beth A. Schafer
Beth A. Schafer, President

EXHIBIT A
PROGRAM STANDARDS

INSPIRATIONAL FAMILY RADIO, INC., an Idaho corporation ("Programmer"), agrees to cooperate with ALEXANDRA COMMUNICATIONS, INC., a Washington corporation ("Licensee") and owner of broadcast radio station KUJJ (FM), McCall, Idaho, (the "Station"), in the broadcasting of programs of the highest possible standards of excellence and for this purpose to observe the following standards in the preparation, writing, and broadcasting of its programs:

1. Respectful of Faiths. The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.
2. No Denominational Attacks. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.
3. Controversial Issues. Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group of persons shall be made during the discussion of controversial issues of public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, Licensee may require that responsive programming be aired.
4. Donation Solicitation. Requests for donations in the form of a specific amount, for example, "One Dollar to Five Dollars", 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 a church or other charity are permitted.
5. Sale of Religious Artifacts. The offering for sale of religious artifacts or other items for which listeners would send money is prohibited unless such items are readily available in ordinary commerce or are clearly being sold for legitimate fund-raising purposes.
6. No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited.
7. No Lotteries. Announcements giving any information about lotteries or games prohibited by Federal or State law or regulation are prohibited.
8. No "Dream Books". References to "Dream Books", the "Straight Line", or other direct or indirect descriptions or solicitations relative to the "Numbers Game", or the "Policy Game", or any other form of gambling prohibited under local, State, or Federal law are prohibited.
9. Election Procedures. At least ninety (90) days before the start of any primary or

regular election campaign, Programmer will clear with Licensee's General Manager the rate Programmer will charge for the time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged conforms to the applicable law and Station policy.

10. Commercial Limitations. With respect to any given segment of air time hereunder, the amount of commercial matter shall not exceed sixteen (16) minutes during any sixty (60) minute segment with the exception of so-called "infomercials" which shall be appropriately logged and recorded on the Station's traffic logs. Programmer will provide, for attachment to the Station's logs, a list of all commercial announcements for its programming.

(a) Programmer shall cause to be included on all advertising or sponsorship contracts certification substantially as follows: *"NON-DISCRIMINATION POLICY: [Insert name of broadcaster] and its station[s] do not discriminate in underwriting or sponsorship contracts on the basis of race or ethnicity. Any provision in any order or agreement for underwriting or sponsorship that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of a particular contract, is hereby rejected."*

11. Required Announcements. Programmer 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 the beginning and end of each program to indicate that program time has been purchased by Programmer, and (iii) any other announcement that may be required by law, regulation, or Station policy.

12. 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.

13. Commercial Record Keeping. Programmer shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly, from any person 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 the 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 Programmer (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, logged, and sponsored.

14. 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.

15. Discretion Paramount. In accordance with Licensee's responsibilities 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 proposed to be presented or being presented over the Station which is in conflict with Station's policy or which in Licensee's or its General Manager's sole judgment would not serve the public interest.

16. Programming Prohibitions. Programmer shall not broadcast any of the following programs or announcements:

- (a) False or unwarranted claims for any product or service.
- (b) Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- (c) Any disparagement of competitors or competitive goods.
- (d) Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or treatment.
- (e) Any price mentions except as permitted by Licensee's policies current at the time.
- (f) Any testimonials which cannot be authenticated.
- (g) Any continuity which describes in a repellent manner internal bodily functions or symptomatic results of internal disturbances, and no reference to matters which are not considered acceptable topics in a social setting.
- (h) 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.
- (i) In any case where questions of policy or interpretation arise, Programmer should submit the same to Licensee for decision before making any commitments in connection therewith.

[End]

EXHIBIT B
CATEGORIES OF EXPENSES TO BE REIMBURSED

- Personnel expenses related to the Licensee Employees, including base salary, payroll taxes, and benefits incurred by or for the Licensee Employees, provided that such expenses are incurred by Licensee in the ordinary course of business;
- Rental expenses for the Station's transmitter site, studio and offices;
- Utility bills (gas, water, telephone (other than toll charges or listener call-in lines), and electricity) rendered at or in conjunction with the Station's studios, offices, and transmission facilities;
- Costs and expenses (including regulatory fees, but excluding legal costs) incurred in connection with the Station's compliance with FCC rules and regulations; and
- Insurance premiums for (a) property and casualty insurance for the Station's transmitting equipment and (b) general liability insurance.
- Costs associated with general maintenance of the Station's transmission, production, and office equipment, furnishing, and fixtures (collectively, "Equipment"). If any piece of Equipment breaks or is no longer usable and there either is insurance or a manufacturer's warranty, at Licensee's option, Programmer shall receive either the replacement equipment or cash, provided, however, that to the extent Programmer receives cash following a successful insurance claim with respect to any item(s) of Equipment, Programmer shall be obligated first to apply such funds towards the repair or replacement of the damaged item(s) of Equipment, with any surplus funds returned to or retained by Licensee.