

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is entered into as of this 19th day of July, 2001, by and between Educational Media Foundation ("EMF"), SJD Christian Broadcasting, Inc. ("SJD"), the Mary V. Harris Foundation ("MVHF"), and Bridge Broadcasting, Inc. ("Bridge") (EMF, SJD, MVHF and Bridge may each be referred to individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, EMF, SJD, MVHF and Bridge each has pending before the Federal Communications Commission ("FCC") applications for construction permits for new noncommercial educational FM broadcast stations (collectively, the "Applications");

WHEREAS, certain of the Applications are mutually exclusive with each other so that not all may be granted by the FCC;

WHEREAS, the applications are also mutually exclusive with those of other parties, and EMF is in the process of negotiating settlements with those other parties;

WHEREAS, the FCC has announced a number of groups (each an "MX Group") of mutually exclusive applications in which all of the applications within each group cannot be granted;

WHEREAS, EMF and SJD have agreed to cause the voluntary dismissal with prejudice of their Applications in exchange for the consideration specified herein;

WHEREAS, dismissal of the EMF and SJD Applications will permit the grant of the Applications of Bridge and MVHF; and

WHEREAS, the Parties believe that a settlement upon the terms set forth in this Agreement will serve the public interest in that it will resolve pending proceedings before the Commission, and thereby speed the inauguration of new noncommercial educational FM service.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, conditions, representations and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties to this Agreement hereby agree as follows:

1. **Dismissal of Applications.** No later than July 19, 2001, EMF shall request that the FCC dismiss its Application for Lamont, California (FCC File No. BPED-19970620MF) and SJD shall request the dismissal of its Application for Lost Hills, California (FCC File No. BNPED-20000518ACN) pursuant to and in connection with the filing of the Joint Requests as defined in Paragraph 3 below. The dismissal of these applications, along with such other agreements that may be obtained by EMF with other parties, will allow for the grant of the

Bridge Application at Shafter, California (FCC File No. BNPED-20000518CD) and the MVHF Application for Wasco, California (FCC File No. BPED-19980109MN).

2. **Consideration.**

a. In consideration of EMF's dismissal of its Application for Lamont, and for its reaching agreements with the other parties to MX Groups 970624 and 990411 which allow for the grant of the Bridge and MVHF Applications, Bridge and MVHF agree to file an application with the FCC for assignment to EMF of the construction permit for either the Shafter or the Wasco construction permit, after the later of the two is granted by the FCC. Bridge and MVHF agree to provide EMF with written notice of the grant of their construction permits. Within thirty (30) business days of EMF receiving notice of the grant of the later of the two construction permits, EMF may notify MVHF and Bridge in writing that it intends to acquire one of the permits. Within thirty (30) days of the receipt of that notice, MVHF shall inform EMF of which permit EMF will acquire. If EMF fails to timely notify MVHF and Bridge of its intent to acquire a station, its rights hereunder shall expire. If MVHF and Bridge do not timely notify EMF of which permit EMF is to acquire, EMF may select the permit that it will acquire, and notify MVHF and Bridge of that selection, in writing. MVHF and Bridge agree, that should their construction permit be the one to be assigned to EMF under the provisions of this paragraph, they will join with EMF and file such documentation as may be necessary to effectuate the assignment of the construction permit to EMF, including but not limited to joining in an Assignment Application filed with the FCC ("*the Assignment Application*").

b. If both the Bridge Application and the MVHF Applications are not granted by the FCC within two years of the filing of Joint Request, EMF may elect to acquire the first of the construction permits to have been granted by the FCC. If, and only if, EMF acquires the first permit to be granted pursuant to this subparagraph 2(b), upon consummation of the acquisition, EMF will pay to MVHF and Bridge the sum of Twenty Thousand Dollars (\$20,000.00) each. In addition, EMF shall reimburse the party from which the construction permit is acquired for the costs incurred, if any, by that party in constructing the station and in preparing and prosecuting the Assignment Application. If the grant of the second construction permit to Bridge and/or MVHF has been delayed due to any objection or complaint raised by any applicant in either MX Group 970624 or MX Group 990411, or by noncompliance on the part of any such applicant with any settlement agreement between or among applicants in either of the MX groups, EMF shall not have the option to acquire the first-granted construction permit as described in this subparagraph 2(b).

3. **Consideration to SJD.** Upon the finality of the grant of the Assignment Application, EMF shall pay SJD a sum equal to the amount of its out-of-pocket expenses incurred in the preparation, filing and prosecution of its Application, up to a maximum of Three Thousand Dollars. Finality shall be deemed to have occurred when the grant of such application is no longer subject to administrative or judicial review, reconsideration or appeal.

4. **Consideration to Bridge.** MVHF shall have the right to designate whether its station or Bridge's station is to be acquired by EMF if EMF exercises its right hereunder to acquire a station. If MVHF designates its own station to be assigned to EMF, MVHF shall have the right to acquire Bridge's station. In the event that Bridge is required by MVHF under this Agreement to assign its station either to EMF or to MVHF, MVHF shall pay consideration to Bridge in an amount equal to the sum of Bridge's out-of-pocket expenses incurred in the preparation, filing and prosecution of its Application.

5. **Requests for FCC Consent.** As soon as possible, but in no event later than July 19, 2001, the Parties hereto shall file Joint Requests for Approval of Settlement Agreement (each a "*Joint Request*", collectively the "*Joint Requests*") in both MX Group 970625 and MX Group 990411. Each Joint Request shall contain the information required by Section 73.3525 of the FCC's rules, requesting that the FCC issue an order or orders: (i) granting the Joint Request; (ii) approving the portions of this Agreement dealing with that MX Group; (iii) dismissing the EMF and SJD Applications; and (iv) granting the MVHF and Bridge Applications, and any other applications of third parties which may be granted without interfering with the grant of those Applications. The Parties shall in good faith pursue approval by the FCC of these Joint Requests and shall cooperate fully with each other and with the FCC and take whatever additional action is necessary or appropriate to obtain FCC approval of, and to effectuate, this Agreement. Neither Party shall take any action adverse to this Agreement or either of the Joint Requests. In the event the FCC fails to grant the entire relief requested by the Parties in both Joint Requests, any Party may declare this Agreement null and void unless another party would be irreparably harmed by its action already taken pursuant to the terms of this Agreement. If either EMF or SJD elects to declare this Agreement null and void, neither EMF nor SJD shall have any further obligation or liability to the other Party under this Agreement, except that the Parties shall cooperate with each other in good faith to restore their respective FCC Applications to their existing status as of the date of this Agreement.

6. **Assignment Application.** Bridge and MVHF represents to EMF that to the best of their knowledge their Applications are in compliance in all material respects with all applicable rules and regulations of the FCC, the Federal Aviation Administration or any other governmental regulations. Upon grant of the Assignment Application by the FCC, Bridge or MVHF shall fully cooperate with Bridge in expeditiously assigning the permit to EMF, without any further consideration except as provided for in this Agreement. Neither Bridge nor MVHF shall take any action assigning, transferring or otherwise encumbering any construction permit which is subject to this right of EMF to acquire the permit. No modifications of the construction permits shall be sought by MVHF or Bridge without EMF's approval while subject to the rights of EMF hereunder. Bridge agrees to cooperate with EMF to file an amendment to the Bridge Application which would increase the facilities proposed therein. All of the rights, title and interest in the FCC construction permit to be assigned to EMF shall be assigned to EMF, or its assigns, free and clear of any liens, encumbrances, security interests or conditions, except for those routinely imposed by the FCC under its rules and regulations. Closing of the Assignment Application shall take place within five (5) business days of FCC approval of the Assignment Application or, at EMF's election, within five (5) business days of finality of such FCC approval.

7. **Authorization and Binding Obligation.** The Parties hereto represent to one another that they each have the power and authority to enter into and carry out this Agreement and that this Agreement constitutes a valid and binding obligation of each of them in accordance with its terms. This Agreement is conditioned on EMF reaching agreements with the other parties to each MX Group sufficient to permit the grant of the Bridge and MVHF applications. If such agreements are not reached by July 19, 2001, this Agreement shall be null and void.

8. **Notices.** All notices, requests, demands and other communications relating to this Agreement shall be in writing and shall be sent by first class, certified or registered mail, return receipt requested, postage prepaid and, pending the designation of another address, addressed as follows:

If to EMF:

Educational Media Foundation
Attn: Richard Jenkins, President
1425 N. Market Boulevard
Sacramento, California 95834

With copy to:

David D. Oxenford, Esq.
Shaw Pittman LLP
2300 N Street, NW
Washington, DC 20037-1128

If to SJD:

If to MVHF:

Mary V. Harris Foundation
Attn: Linda de Romanett, President
25510 Mandarin Court
Loma Linda, California 92354

With copy to (which shall not constitute notice):

Donald E. Martin, Esq.
Donald E. Martin, P.C.
6060 Hardwick Place
Falls Church, Virginia 22041

Bridge Broadcasting, Inc.
Attn: Lorry McConnehey, President
2600 Kenwood Road
Bakersfield, California 93306

With copy to (which shall not constitute notice):

Donald E. Martin, P.C.
6060 Hardwick Place
Falls Church, Virginia 22041

9. **Entire Agreement.** Except as otherwise set forth herein, this Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof, and no other consideration, action or forbearance is contemplated or relied upon by them. This Agreement may not be amended or modified except by a writing signed by both Parties.

10. **Enforcement.** Should the Parties engage in litigation arising out of this Agreement, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court. The Parties recognize that this Agreement confers a unique benefit, the loss of which cannot be compensated for through monetary damages. Thus, in the event of a breach of this Agreement, including particularly the obligations relating to the filing, processing and closing of the Assignment Application, the Parties acknowledge that specific performance or other equitable relief would be an appropriate remedy, and agree to waive any defense that there is an adequate remedy at law for breach of this Agreement, and agree to waive any requirement for the posting of bond or other security in order to seek equitable relief or specific performance.

11. **Assignment and Binding Effect.** This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their heirs, successors, executors, legal representatives and assigns.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without application of conflicts of laws principles. The Parties agree to accept the jurisdiction of the courts of the State of California for the resolution of any disputes under this Agreement.

13. **Headings.** The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

14. **Counterparts.** This Agreement may be executed in one or more counterparts and shall be binding when it has been executed by each of the Parties. This Agreement shall be effective and legally binding upon delivery of facsimile signatures.

IN WITNESS WHEREOF, the Parties have executed this Agreement or have caused this Agreement to be executed on their behalf to be effective as of the date first set forth above.

EDUCATIONAL MEDIA FOUNDATION

By: _____



Richard Jenkins
President

SJD CHRISTIAN BROADCASTING, INC.

By: _____
Its: _____

MARY V. HARRIS FOUNDATION

By: _____
Its: _____

BRIDGE BROADCASTING, INC.

By: _____
Its: _____

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EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

SJD CHRISTIAN BROADCASTING, INC.

By: _____
Its: PRESIDENT

MARY V. HARRIS FOUNDATION

By: _____
Its: _____

BRIDGE BROADCASTING, INC.

By: _____
Its: _____

- 6 -

IN WITNESS WHEREOF, the Parties have executed this Agreement or have caused this Agreement to be executed on their behalf to be effective as of the date first set forth above.

EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

SJD CHRISTIAN BROADCASTING, INC.

By: _____
Its: _____

MARY V. HARRIS FOUNDATION

By: Sandra de Romantell 7-19-01
Its: President

BRIDGE BROADCASTING, INC.

By: _____
Its: _____

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Donald E. Martin

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EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

SJD CHRISTIAN BROADCASTING, INC.

By: _____
Its: _____

MARY V. HARRIS FOUNDATION

By: _____
Its: _____

BRIDGE BROADCASTING, INC.

By: L. McCombes
Its: President