

TIME BROKERAGE AGREEMENT

This Time Brokerage Agreement ("Agreement") is entered into this 30th day of January, 1998, by and between Partners for Christian Radio, Inc. ("Partners") and Friendship Broadcasting, L.L.C. ("Friendship"), the proposed assignee of Radio Station WDRZ(FM), Etowah, Tennessee ("Station").

RECITALS:

WHEREAS, Friendship has entered into an Asset Purchase Agreement with BVACK Broadcasting Company, Inc., licensee of the Station, and has filed an application with the Federal Communications Commission ("FCC" or "Commission") seeking its approval for Friendship to become licensee of the Station;

WHEREAS, Friendship, upon its purchase of the Station, will have broadcasting time available;

WHEREAS, Partners desires to avail itself of the Station's broadcast time;

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

WITNESSETH:

1. **Facilities.** Commencing on the Effective Date (as herein defined) Friendship agrees to broadcast on Station, or cause to be broadcast, programs which are presented to it by Partners as described in greater detail on Attachment I hereto.

2. **Payments.** Partners hereby agree to pay Friendship for broadcast of the programs ("Purchased Time") hereunder the amounts specified in Attachment II, except as therein specified.

TIME BROKERAGE AGREEMENT
ATTACHMENT II

Compensation

1. **Monthly Payments.** Beginning on the Effective Date, and on the 25th of each month thereafter, Partners will pay Friendship as follows:

- | | | | |
|-----|------------------------|-------------|----------------------|
| (a) | For months 1, 2 and 3: | \$ 6,000.00 | (1st month prorated) |
| | For months 4-36: | \$10,000.00 | |

plus

- (b) An amount, subject to accounting and prior agreement by the parties as to reasonableness, equal to Friendship's expenses during the preceding calendar month (except with respect to the month preceding the Effective Date) for the following:
- (i) salaries, benefits and payroll taxes relating to Licensee's employees (i.e., its station manager, secretary and chief operator)
 - (ii) telephone and utilities
 - (iii) tower and studio rent
 - (iv) fees for engineering services
 - (v) equipment repairs and maintenance up to, but not exceeding \$1,000 per incident (excluding capital expenditures for replacement or new equipment)
 - (vi) insurance, covering equipment and repairs (liability and free style policies)
 - (vii) FCC filing and annual regulatory fees

2. **Lump Sum Payment.** Partners will pay Friendship the sum of \$12,000 on the first anniversary of the Effective Date of this Agreement.

**TIME BROKERAGE AGREEMENT
ATTACHMENT II (Amended as of
May 1, 1998)**

Amended Compensation Schedule

1. **Monthly Payments.** Monthly payments for the months indicated shall be paid on or before the following dates:

(a)	<u>Date</u>	<u>Amount</u>	
	<u>1998</u>		
	May 30	\$ 6,000	
	June 30	6,000	
	July 31	1,000	
	Aug. 31	1,200	
	Sept. 30	5,000	
	Oct. 31	3,000	
	Nov. 30	6,800	
	Dec. 31	<u>\$12,000</u>	
			\$41,000
	<u>1999</u>		
	Jan. 31	\$ 6,000	
	Feb. 28	6,000	
	Mar. 15	6,000	
	Apr. 15	6,000	
	May 10	6,000	
	June 10	6,000	
	July 10	<u>6,000</u>	
	Aug. 10	6,000	
	Sept. 10	6,000	
	Oct. 10	6,000	
	Nov. 10	6,000	
	Dec. 10	<u>\$6,000</u>	
			\$72,000

2000

Jan. 1	\$ 7,500
Feb. 1	7,500
Mar. 1	7,500
Apr. 1	10,000
May 1	10,000
June 1	10,000
July 1	10,000
Aug. 1	10,000
Sept. 1	10,000
Oct. 1	10,000
Nov. 1	10,000
Dec. 1	<u>10,000</u>

\$112,500

2001 and Beyond

1st day/month \$10,000

plus

- (b) **An amount, subject to accounting and agreement by the Parties as to reasonableness, equal to Friendship's expenses during the preceding calendar month (except with respect to the month preceding the Effective Date) for the following:**
- (i) **salaries, benefits and payroll taxes relating to Licensee's employees (i.e., its station manager, part-time secretary and chief operator)**
 - (ii) **telephone and utilities**
 - (iii) **tower and studio rent**
 - (iv) **fees for engineering services**
 - (v) **equipment repairs and maintenance (excluding capital expenditures for either equipment replacements or new equipment)**
 - (vi) **insurance**



LAW OFFICE OF SCOTT D. BERGTHOLD, P.L.L.C.

Scott D. Bergthold
sbergthold@sdblawnfirm.com

Stephen S. Duggins
sduggins@sdblawnfirm.com

Bryan A. Dykes
bdykes@sdblawnfirm.com

November 23, 2010

Mr. Harry C. Martin
Fletcher, Heald & Hildreth, P.L.C.
11th Floor, 1300 North 17th Street
Arlington, VA 22209

In re: Friendship Broadcasting, LLC and Partners for Christian Radio, Inc.

Dear Mr. Martin:

On behalf of Partners for Christian Media, Inc. (formerly known as Partners for Christian Radio, Inc. and referenced herein as "Partners"), this letter acknowledges receipt of your letter dated November 17, 2010.

Partners is naturally very disappointed in the course of action that your client and its principal, Tony Bono, have chosen. Unfortunately, it appears that Mr. Bono did not provide you with complete background information before asking you to send your letter.

Regretfully, Friendship's action leaves Partners with no viable option but to seek immediate relief from a court. To stand by and ignore Friendship's attack would be tantamount to allowing Partners' demise. I am accordingly enclosing a copy of the complaint and motion for restraining order that I intend to file later today.

I plan to file the complaint during or promptly after the lunch hour. I will then try to see one of the chancellors for purposes of obtaining a restraining order. I do not know if I will be able to see a chancellor right away or if I will have to wait around for a while. I likewise do not yet know which chancellor will be assigned the case, but there are only two possibilities. One is Chancellor Frank Brown (423-209-7380), and the other is Chancellor Jeff Atherton (423-209-7385). If you wish to make arrangements to be heard on my TRO request, you may contact me very promptly by email or by telephone at 423-899-3025. If I have already left the office for court, you are welcome to call the court and advise of your interest.

Sincerely,



Stephen S. Duggins

TIME BROKERAGE AGREEMENT

This Time Brokerage Agreement ("Agreement") is entered into this 30th day of January, 1998, by and between Partners for Christian Radio, Inc. ("Partners") and Friendship Broadcasting, L.L.C. ("Friendship"), the proposed assignee of Radio Station WDRZ(FM), Etowah, Tennessee ("Station").

RECITALS:

WHEREAS, Friendship has entered into an Asset Purchase Agreement with BVACK Broadcasting Company, Inc., licensee of the Station, and has filed an application with the Federal Communications Commission ("FCC" or "Commission") seeking its approval for Friendship to become licensee of the Station;

WHEREAS, Friendship, upon its purchase of the Station, will have broadcasting time available;

WHEREAS, Partners desires to avail itself of the Station's broadcast time;

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

WITNESSETH:

1. **Facilities.** Commencing on the Effective Date (as herein defined) Friendship agrees to broadcast on Station, or cause to be broadcast, programs which are presented to it by Partners as described in greater detail on Attachment I hereto.

2. **Payments.** Partners hereby agree to pay Friendship for broadcast of the programs ("Purchased Time") hereunder the amounts specified in Attachment II, except as therein specified.

Payment for programs to be broadcast during an upcoming month are due and payable on the 1st day of each month. Payments for any partial month of programming (e.g., the month during which the Effective Date occurs) shall be prorated.

3. Term. The term of this Agreement shall be for a period of three (3) years from the Effective Date unless sooner terminated as provided in Section 22 ("Initial Term").

4. Programs. Partners shall furnish the programs specified in this Agreement, and all programs shall be in good taste and in accordance with applicable statute and FCC standards. All programs shall be prepared and presented in conformity with the standards set forth in Attachment III.

5. Handling of Mail. Friendship shall not be required to receive or handle mail, e-mail, faxes or express messages in connection with the Partners' programs but shall be advised promptly by Partners of any public or FCC complaint or inquiry concerning such programming and given copies of any letters from the public, including complaints, concerning such programming.

6. Programming and Operations Standards. Partners will generally follow the standards set forth in Attachment III in its programming. Partners further agrees that if, in the sole judgment of Friendship, Partners does not comply with these standards, Friendship may suspend or cancel any specific program not in conformance. All equipment necessary for broadcasting by the Station shall be maintained by Friendship in a condition consistent with good engineering practices and in compliance with all material respects with the applicable rules and Regulations of the Federal Communications Commission. At any time should any such equipment become inoperable or should the equipment begin operating below industry standards, Partners shall give written notice to Friendship of same and it shall be Friendship's responsibility to promptly

repair or replace the equipment in question. All capital expenditures reasonably required to maintain the quality of the Station's signal shall be made at the sole expense of Friendship in a timely fashion.

During the term of this Agreement, Partners shall maintain and deliver to the Station such records and information required by the FCC to be placed in the public inspection files of the Station pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the Commission's rules, and to the broadcast of sponsored programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Section 73.1212 of the Commission's rules. Partners shall also consult with the Station and adhere strictly to statutes, rules, regulations and policies of the Commission, as announced from time to time, with respect to the carriage of political advertisements and programming including, without limitation, the rights of candidates and, as appropriate, others to "equal opportunities" and the "lowest unit rate." Partners will provide to Friendship such documentation relating to such advertising and programming as Friendship shall reasonably request and shall indemnify the Station for any claim, demand, cost or expense (including reasonable attorneys' fees) arising from the broadcast by Partners of any such material during the term of this Agreement, or from the failure by Partners to provide Friendship with complete documentation regarding Partners' political broadcasts.

7. Responsibility for Employees and Expenses. Partners shall employ and be responsible for the salaries, taxes and related costs for all personnel used in the production of its programming and Friendship shall bear the same responsibility with respect to its programming. Friendship will also provide and be responsible for basic Station expenses including salaries and benefits for Friendship's employees, utilities, insurance, capital equipment replacements, tower and

studio rental, fees for engineering services, FCC filing and regulatory fees, and equipment repairs and maintenance. All of Partners' personnel presenting Station programming shall be subject to the supervision and direction of Friendship's station manager and/or chief operator. Partners shall pay for all costs associated with its program production, all fees to ASCAP, BMI and SESAC and for any other copyright fees attributable to its programming broadcast on the Station.

8. Operation of Station. Notwithstanding anything to the contrary in this Agreement, Friendship shall retain full authority and power with respect to the operation of the Station during the period of this Agreement. Friendship shall provide and pay for (a) its station manager, who shall report solely to, and be accountable solely to Friendship and who shall direct the day-to-day operations of the Station, and (b) the chief operator of the Station. Friendship shall retain control, said control to be reasonably exercised, over the policies, programming and finances of the Station, including without limitation, the right to decide whether to accept or reject any programming or advertisements, the right to preempt and programs in order to broadcast a program deemed by Friendship to be of great national, regional or local interest, and the right to take any other actions necessary to comply with the laws of the United States, the State of Tennessee, and the rules, regulations, and policies of the FCC, including the prohibition of unauthorized transfer of control. Friendship shall be responsible for meeting all of its requirements with respect to its local service obligations, including, but not limited to, broadcasting station identifications; however, Partners agrees to carry within its programming station identification announcements that comply with FCC rules.

9. Special Events. Friendship reserves the right, in its sole discretion and without liability, to preempt any Partners' programs, and to use part or all of the time contracted for by

Partners to broadcast events of special importance. In all such cases, Friendship will use its best efforts to give Partners reasonable notice of its intention to preempt such broadcast or broadcasts, and, in the event of such preemption Partners shall receive the payment credit specified in Attachment II for the Partners' broadcasts which were preempted.

10. Force Majeure. Any failure of facilities or any delay or interruption in broadcast 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 Force Majeure or due to causes beyond control of Friendship, shall not constitute a breach of this Agreement and Friendship will not be liable to Partners except to the extent of allowing in such case an appropriate payment credit for time or broadcasts not provided based upon a pro rata adjustment to amounts due as specified in Attachment II based upon the length of time during which the failure or impairment exists. If there is a delay or interruption in Partners broadcast programs which is a result of the Station being off the air or at low Power (less than 90%) for more than 90 days then Partners reserves the option to terminate this Agreement. If the Station is operating at less than full power (less than 90%) and if Partners can prove to Friendship that operation of the Station at low power has resulted in a loss of revenue from Partner's broadcast of its programs, then Partners and Friendship shall agree to a reasonable reduction in the regular monthly payment (as specified in Attachment II) until Friendship restores the Station to full power. Friendship is responsible to return the Station to full power as expeditiously as possible.

11. Right to Use the Programs. The right to use Partners' programs and to authorize their use in any manner and in any media whatsoever shall be and remain vested solely in Partners.

12. Payola. Partners agrees that neither it nor its employees will accept any material compensation or any material gift or gratuity of any kind, regardless of its form, including, but not limited to, a commission, discount, bonus, materials, supplies or other merchandize, services or labor, whether or not pursuant to written contracts or agreements between Partners and merchants

or advertisers, unless the payer is appropriately identified on the air as having paid for or furnished such consideration in accordance with FCC requirements. Partners agrees to execute and provide Friendship with an annual Payola Affidavit, substantially in the form which is attachment here to as Attachment IV.

13. Compliance with Law. Friendship agrees that throughout the term of this Agreement, it will comply with all laws and regulations applicable to the conduct of its business.

14. Indemnification/Warranty. Partners indemnifies and holds harmless Friendship, its employees, agents and affiliates from and against all liability, including without limitation all consequential damages and attorneys fees, arising out of or incident to the programming furnished by Partners or the conduct of Partners, its employees, contractors or agents. Without limiting the generality of the foregoing, Partners indemnifies and holds harmless Friendship, its employees, agents and affiliates against liability for libel, slander, infringement of trademarks, trade names or program titles, violation of rights of privacy, and infringement of copyrights and propriety rights resulting from the right to refuse to broadcast any program or programs containing matter which is, or in the reasonable opinion of Friendship may be, or which a third party claims to be, violative of any right of theirs or which may constitute a personal attack as the term is and has been defined by the FCC. Partners' obligation to hold Friendship harmless against the liabilities specified above shall survive any termination of this Agreement.

15. Events of Default. The following shall, after the expiration of the applicable cure periods, constitute Events of Default under this Agreement:

15.1 Non-Payment. Partners' failure to timely pay the consideration provided for in Section 2 and Attachment II hereof;

15.2 Default in Covenants. Partners' or Friendship's material default in the observance or performance of any material covenant, condition or agreement contained herein; or

15.3 Breach of Representation. Partners' or Friendship's material breach of any representation or warranty herein, or in any certificate of document furnished pursuant to the

provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

X 16. Cure Periods. Except with respect to a Section 15.1 Event of Default (non-payment), an Event of Default shall not be deemed to have occurred until ten (10) business days after the non-defaulting 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 specifying the actions necessary to cure within such period. This period may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure and such deal is not materially adverse to the other party. A Section 15.1 Event of Default shall be deemed to have occurred if any payment required under Section 2 hereof is not made within Ten (10) business days after the date it is due, and the cure period provided for in this Section 16 shall not apply.

17. Termination on Default. If there is an uncured Event of Default by Partners, Friendship shall be under no further obligation to make available to Partners any further broadcast time or broadcast transmission facilities. Similarly, if there is any uncured Event of Default by Friendship, Partners shall be under no further obligation to make payments to Friendship under this Agreement.

18. Representations. Both Friendship and Partners represent that they are legally qualified, empowered and able to enter into this Agreement.

19. Modification and Waiver. No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing signed by the party against whom the waiver is sought to be enforced, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

20. No Waiver/Remedies Cumulative. No failure or delay on the part of Friendship or Partners in exercising any right or power hereunder 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 of power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Friendship and Partners herein provided are cumulative and are not exclusive of any right or remedies which they may otherwise have.

21. Construction. This Agreement shall be construed in accordance with the internal laws of the State of Tennessee and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current FCC policy for brokerage agreements and agree that they shall negotiate in good faith to meet any FCC concern with respect to if they are incorrectly interpreting current FCC policy or that policy is modified. If the parties cannot agree to a modification or modifications deemed necessary by either party to meet FCC requirements, the termination provisions of Section 22 below shall apply.

22. Termination. This Agreement may be terminated before the end of the term outlined in Section 3 herein by any one of the procedures set forth below, provided the party seeking to terminate is not in material default or breach hereof:

- (a) The mutual written consent of both parties;
- (b) This Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or a court of competent jurisdiction, including but not

limited to the FCC, and such order or decree has become final and no longer subject to the administrative or judicial review;

(c) There is a material change in or clarification of FCC rules, policies or precedent that would cause this Agreement to be in violation thereof, and such change is not the subject of an appeal or administrative review.

(d) The Parties have, simultaneously with the execution of this Agreement, entered into the attached Purchase Option Agreement (Attachment VI). This Time Brokerage Agreement shall terminate upon consummation of the sale of the Station or upon termination of the Purchase Option Agreement in accordance with its terms.

(e) Notwithstanding any other provision of this Agreement, Friendship shall have the unfettered right to terminate this Agreement at any time upon written notice to Partners (the "Special Licensee Termination Right"). This Special Licensee Termination Right shall exist for the sole purpose of permitting Friendship to exercise its good faith judgment that (a) the programming presented by the Partners disserves the public interest, or (b) for any other legitimate public interest reason, Friendship believes it must terminate the programming rights of Partners hereunder. This Special Licensee Termination Right shall not extend to Friendship for the purpose of creating greater economic, commercial or business advantage to Friendship. If there is a final unappealable adjudication of a court of competent jurisdiction that Friendship exercised its Special Licensee Termination Right primarily for economic, commercial or business advantage, and not for reasons specified in clauses (a) or (b) above, the parties agree that Partners shall be damaged. Because such damage, which represents Partners' investment in equipment, programming and salaries/commissions, may be difficult to quantify or prove, the parties agree that \$500,000 represents a fair

approximation of such damages. Friendship shall pay such sum as may be due hereunder to Partners within thirty (30) days after termination under this Section 22(e) or, if a dispute arises as to Friendship's liability for such damages, within thirty (30) days after an unappealable adjudication of Friendship's liability becomes final. In such event the costs of all proceedings, including Partners' reasonable attorneys' fees, shall be paid by Friendship.

23. Headings. The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

24. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including, without limitation, any transferee or assignee of the FCC license for the Station.

25. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the same original or the same counterpart.

26. Effective Date. This Agreement shall be effective after consummation of Friendship's purchase of the Station from BVACK Broadcasting Company and within 5 days after the following: 1) restoration of the Station to its full licensed power, 2) installation of a replacement transmitter and all necessary equipment to begin broadcasting.

27. Notices. Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or mailed by certified mail or Federal Express, postage prepaid, with return receipts requested and addressed in accordance with Attachment V hereto.

TIME BROKERAGE AGREEMENT
ATTACHMENT I

Programming

- A. Partners will initially present to Friendship for broadcast up to 166 hours per week of programs.
- B. Partners shall have the right to change the Station program format at any time by giving Friendship at least twenty-four (24) hours notice before such change.
- C. Friendship may produce or present at least two (2) hours a week of programming on Station, between the hours of 2:00 and 6:00 a.m. each Sunday. Friendship must notify Partners at least Twenty-four (24) hours prior to producing such program. Friendship's public affairs programs shall respond to Etowah, Tennessee area needs and interests which it has ascertained. Friendship shall maintain a complete public file (as required by the FCC) and compile and file all required quarterly Issues/Programs lists. Partners shall give Friendship copies of all operating and programming information including without limitation EAS announcements and station operating logs, necessary to maintain either such file or those records required to be kept by FCC rule or policy.

TIME BROKERAGE AGREEMENT
ATTACHMENT II

Compensation

1. Monthly Payments. Beginning on the Effective Date, and on the 25th of each month thereafter, Partners will pay Friendship as follows:

- | | | | |
|-----|------------------------|-------------|----------------------|
| (a) | For months 1, 2 and 3: | \$ 6,000.00 | (1st month prorated) |
| | For months 4-36: | \$10,000.00 | |

plus

- (b) An amount, subject to accounting and prior agreement by the parties as to reasonableness, equal to Friendship's expenses during the preceding calendar month (except with respect to the month preceding the Effective Date) for the following:
- (i) salaries, benefits and payroll taxes relating to Licensee's employees (i.e., its station manager, secretary and chief operator)
 - (ii) telephone and utilities
 - (iii) tower and studio rent
 - (iv) fees for engineering services
 - (v) equipment repairs and maintenance up to, but not exceeding \$1,000 per incident (excluding capital expenditures for replacement or new equipment)
 - (vi) insurance, covering equipment and repairs (liability and free style policies)
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2. Lump Sum Payment. Partners will pay Friendship the sum of \$12,000 on the first anniversary of the Effective Date of this Agreement.

TIME BROKERAGE AGREEMENT

ATTACHMENT III

Page 1 of 3

Program and Operation Standards

Friendship and Partners shall cooperate in the broadcasting of programs of the highest possible standard of excellence. Without limiting the generality of the foregoing, they will observe the following policies in the preparation, writing and production of their own (non-syndicated or network) programs:

- I. Donation Solicitation. Statements generally requesting donations to support the broadcast or church are permitted.
- II. Treatment of Parapsychology. The advertising or promotion of fortune-telling, occultism, astrology, phrenology, palm reading, numerology, mind-reading, character readings or subjects of the like nature will not be broadcast.
- III. No Plugola or Payola. The mention for any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, or if otherwise lawful, is prohibited.
- IV. No Lotteries. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.
- V. 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 are prohibited.
- VI. No Numbers Games. References to chapter and verse paragraphs, paragraph numbers, or song numbers, which involve three digits should be avoided and, when used, must reasonable relate to a non-gambling activity.

TIME BROKERAGE AGREEMENT

ATTACHMENT III

Page 2 of 3

- VII. Election Procedures. At least fifteen (15) days before the start of any primary or regular election campaign, Partners will clear with Friendship's General Manager the rate Partners will charge for the time to be sold to candidates for public office and/or their supporters to make certain that the rate charged is in conformance with applicable law and Station policy.
- VIII. Required Announcements. Partners shall broadcast (i) an announcement in form satisfactory to Friendship at the beginning of each hour to identify the Station, (ii) an announcement at the beginning of each broadcast day or Partners' broadcast period to indicate that program time has been purchased by Partners, and (iii) any other announcement that may be required by law, regulation or Station policy.
- IX. No Illegal Announcements. No announcement or promotion prohibited by federal or state law or regulation of any lottery or game shall be made over the Station.
- X. Licensee Discretion Paramount. In accordance with the licensee's responsibility under the Communications Act of 1934, as amended, and the Rules and Regulations of the Federal Communications Commission, Friendship reserves the right to reject or terminate any advertising or programming being presented over the Station which is in conflict with Station policy or which in Friendship's sole but reasonable judgment would not serve the public interest.
- XI. Programming Prohibitions. Partners shall not knowingly broadcast any of the following programs or announcements:
- A. False Claims. False or unwarranted claims for any product or service.
 - B. Unfair Competition. Infringements of another advertiser's rights through plagiarism or unfair limitation of either program idea or copy, or any other unfair competition.
 - C. Commercial Disparagement. Any unfair disparagement of competitors or competitive goods.

TIME BROKERAGE AGREEMENT

ATTACHMENT III

Page 3 of 3

- D. Profanity. Any programs or announcements that are slanderous, obscene, indecent, profane, vulgar, repulsive or offensive, either in theme or treatment.
- E. Descriptions of Bodily Functions. Any continuity which describes in a repellent manner bodily functions.
- F. Advertising. Any advertising matter or announcement which may, in the opinion of Friendship, be injurious or prejudicial to the interests of the public or the Station, or to honest advertising and reputable business in general.
- G. Contests. Any contents or promotions which are in any way misleading or constitute a public nuisance or are likely to lead to injury to persons or property.
- H. Telephone Conversations. Any programming in violation of any statute, regulation or policy, including without limitation to, Section 73.1206 of the FCC's Rules, or any successor regulation, dealing with the taping and/or broadcast of telephone conversations.

The parties may jointly waive any of the foregoing policies in specific instances, if, in their opinion, good broadcasting in the public interest is served. In any case where obvious questions of policy or interpretation arise, Partners will attempt in good faith to submit the same to Friendship for decision before making any commitments in connection therewith.

TIME BROKERAGE AGREEMENT

ATTACHMENT IV

Page 1 of 2

ANTI-PAYOLA/PLUGOLA AFFIDAVIT

City of _____

County of _____

State of _____

_____, being first duly sworn, deposes and says as follows:

1. He is _____ for _____.
(Position) (Station)
2. He has acted in the above capacity since _____.
3. No matter has been broadcast by the Station for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted, by him from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
4. So far as he is aware, no matter has been broadcast by the Station for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by the Station in furnishing programs, from any persons, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
5. In the future, he or she will not pay or promise to pay to any third party, request or receive any service, money or other valuable consideration, direct or indirect, from a third party, in exchange for the influencing of, or the attempt to influence, the preparation or presentation of broadcast matter on the Station.
6. Neither the affiant nor any family member has any present direct or indirect ownership in (other than as investment in a corporation whose stock is publicly traded and held), serves as an officer or director of (with or without compensation), or serves as an employee of, any person, firm or corporation engaged in:
 - a. The publishing of music;

- b. The production, distribution (including wholesale and retail sales outlets, manufacture or exploitation of music, films, tapes, recordings, or electrical transcriptions of any program material intended for radio broadcast use;
- c. The exploitation, promotion or management of persons rendering artistic, production and/or other services in the entertainment field;
- d. The ownership or operation of one or more radio or television stations;
- e. The wholesale or retail sale of records intended for public purchase; or
- f. Advertising on the Station.

7. The facts and circumstances relating to any such interest or interests are as follows:

Affiant

Subscribed and sworn to
before me this _____
day of _____, 19__:

Notary Public

My commission expires:

TIME BROKERAGE AGREEMENT
ATTACHMENT VI

PURCHASE OPTION AGREEMENT

This Purchase Option Agreement ("Agreement") is made and entered into as of this _____ day of January, 1998 by and between Partners for Christian Radio, Inc. ("Partners") and Friendship Broadcasting, L.L.C. ("Friendship"), proposed assignee of Station WDRZ, Etowah, Tennessee (the "Station").

RECITALS

Friendship has entered into an Asset Purchase Agreement with BVACK Broadcasting Company, Inc., licensee of the Station, pursuant to which Friendship will become the owner of the Station upon approval of its sale by the Federal Communications Commission ("FCC").

Partners and Friendship are presently parties to a Time Brokerage Agreement ("TBA"), of even date herewith, which specifies an Effective Date (as defined in the TBA) after Friendship becomes licensee of the Station.

WITNESSETH

In consideration for the privileges, rights and obligations of the parties specified herein and in the TBA, the parties hereby agree as follows:

1. Friendship hereby grants to Partners the exclusive option right (the "Option") to purchase the Station from Friendship for the purchase price of exactly Eight Hundred Thousand Dollars (\$800,000.00) payable in cash. The Option is exercisable beginning on the first day of the 37th month after the Effective Date of the TBA (as defined therein) but expires at the end of the fifteenth (15th) day of the said 38th month (the "Option Period").

2. During the term of this Option, Friendship agrees that it will not enter into or participate in any negotiations or discussions with, or sell this Station to any third party.

3. For Partners to exercise the Option, it must, during the Option Period, provide a written "Notice of Intent to Exercise" to Friendship. This notice shall be sent via certified mail to Friendship at the address listed in the TBA, and shall be accompanied by an executed Asset Purchase Agreement which includes the following terms:

(a) Five percent (5%) of the \$800,000 purchase price, or \$40,000.00, shall be placed in escrow (pursuant to a separate Escrow Agreement) upon execution of the Asset Purchase Agreement which shall be paid to Friendship as liquidated damages in the event Partners fails or refuses to timely close the transaction.

(b) The sale of the Station is subject to FCC approval. Partners and Friendship shall each pay 50% of the FCC assignment application filing fee.

(c) Closing will occur on the tenth (10) business day after public notice of FCC approval of the sale of the Station, or, at Partners' election, on the tenth (10) business day after the FCC's approval becomes a "final order," as that term is commonly defined.

(d) The Asset Purchase Agreement and Escrow Agreement will include the warranties, representations and covenants customarily included in such agreements, and will be subject to reasonable revisions suggested by Friendship's counsel.

4. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Tennessee.

5. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges and supersedes all prior discussions between them

with respect to such subject matter. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement will be effective unless in writing signed by all parties.

6. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same instrument.

7. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability shall in no event affect the validity of the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms.

8. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings or otherwise, the non-prevailing party shall pay all costs and expenses incurred by the prevailing party, including, without limitation, all reasonable attorneys' and experts' fees.

9. This Agreement shall terminate upon termination, according to its terms, of the TBA, upon expiration of the Option Period or, if the Option is exercised, upon execution by both parties of the Asset Purchase Agreement provided for in paragraph 3 above.

IN WITNESS WHEREOF, the undersigned are authorized to execute this Agreement on behalf of their respective parties as of the date and year first above written.

PARTNERS FOR CHRISTIAN RADIO, INC.

By: , Pres.
Bob Lubell, President

FRIENDSHIP BROADCASTING, L.L.C.

By: 
Anthony V. Bomb, Managing Member