

CONSTRUCTION, OPERATING AND OPTION AGREEMENT

This Construction, Operating and Option Agreement (this "Agreement") is made this 23 ^{Rel} day of July 2015 by and between Christian Broadcasting System, Ltd., a Michigan Corporation ("CBSL") and Edgewater Broadcasting, Inc., an Idaho not-for-profit corporation ("EBI").

Recitals:

EBI was an applicant before the Federal Communications Commission (the "FCC") for an FM translator in Covington, Kentucky Facility ID 147546, which application has now been granted a Construction Permit (CP) (the "CP").

CBSL is the licensee of WGRI 1050 AM, FAC ID 25525 and wishes to rebroadcast WGRI 1050 AM, FAC ID 25525 on the Translator.

Agreement:

In consideration of the foregoing and the covenants, representations and warranties provided below, the parties agree as follows:

1. Translator Construction.

(a) EBI will, with technical assistance and equipment provided by CBSL, promptly upon grant of a CP construct and commence operations of the Translator and file the requisite license CP with the FCC (the "License CP").

(b) All engineering costs associated with the CP, including all related FCC filing fees, will either be paid directly by CBSL or invoiced to CBSL and paid within thirty (30) days. Installation costs, including any required building, zoning or other land use permits land use permits, will either be paid for by CBSL or invoiced to CBSL and paid within thirty (30) days.

(c) All equipment used for the construction and operation of the Translator shall be selected or approved by CBSL, paid for by CBSL, and remain the property of CBSL. Subject to EBI's ultimate control, equipment maintenance and replacement will be performed and paid for by CBSL.

(i) CBSL shall oversee the completion of the work involving the construction and/or modification of the Translator, using reasonably its best skill and attention and, subject to the reasonable concurrence of EBI, which EBI shall not unreasonably withhold. CBSL shall be responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the work under this Agreement.

(ii) CBSL shall be responsible to EBI for the acts and omissions of CBSL's employees, contractors, subcontractors and other persons providing or performing any of the work in connection with the construction of the Translator.

(d) All transmitter site leases or other land use arrangements for the Translator shall be approved by EBI. CBSL shall be responsible for all rent and utilities attributable to Translator and will either reimburse EBI for such expenses or pay them directly.

(e) Notwithstanding the foregoing provisions, all decisions concerning construction, financing and operation of the Translator shall ultimately rest with EBI, which will maintain continuing control over the Translator. However, CBSL shall act as general contractor during the construction process, and approval of its decisions shall not be unreasonably withheld.

2. Rebroadcast Arrangements.

(a) CBSL hereby consents to the rebroadcast by the Translator of the signal of WGRI 1050 AM, FAC ID 25525 (WGRI) during the Term (defined below). EBI agrees to rebroadcast WGRI or another station designated by CBSL (the "Designated Station") throughout the Term. EBI's rebroadcast obligations with respect to CBSL are contingent on WGRI (or the Designated Station's) programming being in compliance with Rules and Regulations and the general public interest, all as determined by EBI in its reasonable discretion. Also the Translator's 60 dBu service contour shall not extend outside of the 60 dBu service contour of the station broadcasting the Programming or for AM operations, the Translator's 60 dBu service contour shall not extend outside the lesser of the 2 m/v service contour of the station or the twenty-five (25) mile radius of the AM station broadcasting the Programming.

(b) In the event that the signal of the Translator exceeds the protected contour of WGRI or the Designated Station as a result of any action or inaction by CBSL, then CBSL shall have ten (10) days following the variance to conform the signal of WGRI or the Designated Station to the limitations set forth in this Section 2(a). In the event that the contours of WGRI or the Designated Station remain at variance for more than ten (10) days, then this Agreement shall immediately terminate and CBSL shall be liable to EBI for the value of this Agreement from the termination date through the end of its current term (the "Termination Deficiency") and the Termination Deficiency shall be paid and delivered by CBSL to EBI not later than thirty (30) days following the termination date as provided by this Section.

(c) The initial "Term" of the rebroadcast provisions in this Section 2 commences on the earlier of (i) ninety (90) days after approval of a CP on the tower site or (ii) the date of grant of the CP (either (i) or (ii), the "Effective Date"), and extends until the fifth anniversary of the Effective Date. The Term shall be automatically renewed for four (4) additional five-year Terms, unless CBSL provides notice to EBI at least ninety (90) day prior to the expiration of the current Term, or any extension thereof, that it does not wish to extend this Agreement. Notwithstanding the foregoing, CBSL may cancel this agreement at any time with ninety (90) days written notice.

(d) Within Forty-Five (45) days of execution of this Agreement, CBSL will deposit with EBI the sum of One Thousand and No/100 U.S. Dollars (\$1,000.00) (the "Rent Deposit"). As of the Effective Date, the Rent Deposit will be applied as an advance against the first's month rent due under Section 2(d). EBI will return the Rent Deposit to CBSL if CBSL terminates this Agreement pursuant to Section 5.

(e) During the Term or any extension thereof, CBSL will pay to EBI on the first of each month of the Term the sum of One Thousand and No/100 U.S. Dollars (\$1,000.00) per

month plus three (3%) percent annual increases, with the first and last months' payments prorated. The rent deposit of One Thousand Dollars (\$1,000.00) shall be applied to the first month's rent.

(f) At any time, during any term, by written notice, CBSL may exercise an option to acquire the station for One Hundred Fifty Thousand Dollars (\$150,000.00). The parties agree to prepare and circulate a suitable asset purchase agreement. CBSL upon signing of the asset purchase agreement shall pay a One Thousand Dollar (\$1,000.00) deposit and shall pay the balance of One Hundred Forty-Nine Thousand Dollars (\$149,000) within Forty-Five (45) days after FCC approval at close.

3. Representations and Warranties of CBSL. CBSL hereby makes the following representations and warranties to EBI:

(a) CBSL is a corporation duly organized, validly existing and in good standing under the laws of Michigan. CBSL has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by CBSL and constitutes the legal, valid and binding obligation of CBSL enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the CP of principles of equity.

(b) The execution, delivery and performance of this Agreement by CBSL will not (i) constitute a violation of or conflict with CBSL's articles of incorporation, by-laws or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation of CBSL, or (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to CBSL.

(c) No representation or warranty made by CBSL in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to EBI.

4. Representations and Warranties of EBI. EBI hereby makes the following representations and warranties to CBSL:

(a) EBI is a nonprofit corporation duly organized, validly existing and in good standing under the laws of Idaho. EBI has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by EBI and no other proceedings on the part of EBI are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by EBI and constitutes the legal, valid and binding agreement of EBI enforceable in accordance with their respective terms, except as may

be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the CP of principles of equity.

(b) The execution, delivery and performance of this Agreement by EBI will not (i) conflict with or result in any breach of any provision of the articles of incorporation, by-laws or other similar organizational documents of EBI, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation of EBI, or (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to EBI, or (iv) require the consent or approval of any governmental authority, lending institution or other third party.

(c) No representation or warranty made by EBI in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to CBSL to the best of EBI's knowledge.

5. **Termination; Expiration.** This Agreement may be terminated by either party if (i) the other party breaches any of its covenants, representations or warranties in this Agreement, and is not itself in default hereunder; (ii) any provision of this Agreement is found by the FCC to violate its Rules and Regulations.

6. **CBSL's Remedies.** The parties acknowledge that the Translator is unique and has an unascertainable value. Accordingly, should EBI default in the performance of its obligations under this Agreement, CBS may elect to pursue specific performance of the terms hereof in lieu of seeking monetary damages. In any action brought by CBSL under the terms of this Agreement, the non-prevailing party shall be responsible for repayment of the prevailing party's reasonable attorneys' fees and costs.

7. **Notices.** All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery and addressed as follows (or at such other address for a party as shall be specified by like notice):

If to CBSL:

Christian Broadcasting System, Ltd.
5210 South Saginaw Road
Flint, Michigan 48507
Attention: Jonathon R. Yinger, President

If to EBI:

Edgewater Broadcasting, Inc.
160 Gooding Street West, Suite "B"
Twin Falls, Idaho 83301
Attention: Clark Parrish, President

8. **Expenses.** Other than the FCC filing fees, all of which will be paid by CBSL, the expenses involved in the preparation and consummation of this Agreement and/or the APA shall be borne by the party incurring such expense.

9. **Confidentiality.** CBSL and EBI agree to exercise their commercially-reasonable, best efforts to maintain confidentiality respecting this Agreement, and will not disclose its existence or contents to any third party except professionals in the employ of one party or the other.

10. **Indemnification.**

(a) CBSL agrees to and shall indemnify, defend and hold harmless EBI and its Affiliates, from and against all liability, cost and expense (including reasonable attorney's and consultants fees), actions claims, damages, penalties, causes of action, and/or proceedings brought by either of the parties or a third-party for harm arising in connection with the Translator or the work to be performed by CBSL under this Agreement ("Damages"). Damages caused by or arising from (i) the work performed or to be performed by CBSL, or other activities of CBSL or its Affiliates (as defined below) on or with respect to the Translator, (ii) any breach of this Agreement of or by CBSL or its Consultants (as defined below), (iii) release or threat of release of Hazardous Materials (as defined below) at, on, or under the Translator's transmitter site caused by the work performed by CBSL (as such terms are defined under CERCLA (as defined below) or analogous or similar state or local statute or ordinance), or (iv) any willful misconduct or negligence of or by CBSL or its Consultants relating to the CBSL's work, except to the extent that such Damages are caused by the gross negligence or willful misconduct of the party requesting indemnification hereunder. In the event this indemnification is triggered, EBI shall give CBSL prompt written notice of such indemnification claim, including facts relating to same. Notwithstanding any provision to the contrary, this indemnification shall survive termination or expiration of this Agreement.

(i) "Affiliate" or "Affiliates" means any entity or person, directly or indirectly, owning or controlling, or that is owned or controlled by, or under common ownership or control (in whole or in part) with CBSL or EBI, and their respective officers, directors, managers, principals, employees and agents, collectively.

(ii) "CERCLA" means the Comprehensive Environmental Response Cleanup and Liability Act of 1980, as amended, 42 U.S.C. § 59.601 *et seq.*

(iii) "Consultant(s)" means CBSL's principals, officers, directors, or employees, as well as CBSL's authorized consultants, contractors, subcontractors and agents.

(iv) "Hazardous Materials" means toxic materials, hazardous wastes, hazardous substances, pollutants or contaminants, asbestos or asbestos-related products, PCB's, petroleum, crude oil or any fraction or distillate thereof (as such terms are defined in any applicable federal, state or local laws, ordinances, rules and regulations, and including any other terms which are or may be used in any applicable environmental laws to define prohibited or regulated substances).

(b) EBI agrees to and shall indemnify, defend and hold harmless CBSL and its Affiliates, from and against any Damages caused by or arising from (i) the Work or other activities of EBI or its Affiliates on or with respect to the Tower Site, (ii) any breach of this Agreement of or by EBI, (iii) release or threat of release of Hazardous Materials at, on, or under the Tower Site (as such terms are defined under CERCLA or analogous or similar state or local statute or ordinance), or (iv) any willful misconduct or negligence of or by EBI or its Affiliates, except to the extent that such Damages are caused by the gross negligence or willful misconduct of the party requesting indemnification hereunder. In the event this indemnification is triggered, CBSL shall give EBI prompt written notice of such indemnification claim, including facts relating to same. Notwithstanding any provision to the contrary, this indemnification shall survive termination or expiration of this Agreement.

11. **Miscellaneous.** This Agreement shall be construed and enforced under the laws of Kentucky. Venue for any action brought under this Agreement lies in the Federal or state courts with jurisdiction in the appropriate county in Kentucky. This Agreement may be executed in counterparts, each of which when combined with the other counterpart shall be considered an original. This Agreement may not be assigned to a third party without the consent of the non-assigning party. This Agreement may be amended only through a writing signed by both parties.

(i) The parties agree to reasonably cooperate in coordinating any public announcement or other publicity regarding their activities under this Agreement. Any announcements and/or press releases concerning this Agreement and the transactions contemplated herein shall be mutually agreed to by CBSL and EBI prior to its release.

(ii) If any provision contained in this Agreement is to be held to be invalid, illegal or unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein.

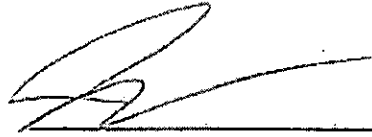
(iii) No action or failure to act by CBSL or EBI shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

(iv) If any provision of this Agreement shall be deemed or held to be inconsistent or in violation of the Rules and Regulations, then the parties hereto shall promptly attempt to reform the Agreement to conform to the Rules and Regulations. If it is not possible to reform the Agreement to validly conform to the Rules and Regulations within thirty (30) days of any assertion of this Agreement's invalidity or that it offends the Rules and Regulations, then this Agreement immediately shall become void and the parties shall have no further liability or obligation to the other.

[Signature page follows]

IN WITNESS THEREOF, the parties hereto have executed this Construction and Operating Agreement as of the day and year first above written.

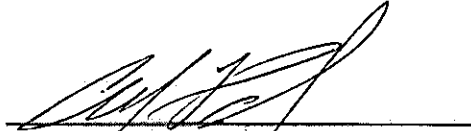
Christian Broadcasting System, Ltd.



7/23/15

Jonathon R. Yinger, President

Edgewater Broadcasting, Inc.



Clark Parrish, President