

## NETWORK AFFILIATION AGREEMENT

This Network Affiliation Agreement ("Agreement") is made as of this 2nd day of May, 2014, by and between CHRISTIANRADIOBROADCASTING.ORG, INC., a Michigan non-profit corporation ("Licensee"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("EMF").

### **WITNESSETH:**

WHEREAS, Licensee is the licensee of radio stations WSHN, Munising, Michigan (Channel 207, 89.3 MHz, Facility ID 173326) and WCRR, Manistique, Michigan (Channel 205, 88.9 MHz, FIN 173328) (the "Stations") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, EMF operates a programming network which broadcasts a unique blend of Christian-based, family-oriented programming known as the "K-LOVE" radio format (the "Programming"); and

WHEREAS, EMF desires to obtain programming time on the Stations in order to rebroadcast the Programming from the facilities of the Stations, and Licensee desires to provide programming time to EMF on the Stations pursuant to Section 325(a) of the Communications Act of 1934, as amended (the "Communications Act"), and applicable FCC regulations in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration received by each party, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Programming. Subject to the terms of this Agreement, EMF agrees to provide and authorizes Licensee to broadcast the Programming. Simultaneously upon receipt of the Programming, Licensee agrees to broadcast the Programming on the facilities of the Stations without interruption, deletion, or addition of any kind, except as otherwise expressly permitted herein.

2. Term. The Term (defined below) of this Agreement shall commence on the date the Stations begins to broadcast the Programming, to be determined by EMF in its sole discretion (the "Effective Date"); provided, that EMF shall provide Licensee with no less than three (3) business days notice prior to the date that it desires to commence broadcasting the Programming. Unless earlier terminated as provided herein, the initial term ("Initial Term") of this Agreement shall be five (5) years, with two five (5) year renewal terms (each, a "Renewal Term," and together with the Initial Term, the "Term"). This Agreement will automatically renew for a Renewal Term at the end of the Initial Term unless EMF gives written notice of non-renewal to Licensee at least One Hundred Eighty (180) days before the end of the Initial Term. This Agreement will automatically renew for a second Renewal Term unless either party gives the other written notice of non-renewal at least One Hundred Eighty (180) days before the end of the First Renewal Term.

During the first Renewal Term, each of Licensee's Stations will undergo a license renewal with the FCC. If the FCC denies Licensee's renewal application for one or more of the Stations, this Agreement will terminate with respect to each such Station and the fees payable hereunder will be equitably adjusted based on the population within the 60 dBu contour lost as a result of the non-renewal. When determining the lost population the most recent census figures and the FCC population calculations as implement through V-Soft Computer model will be used. The remaining terms of this Agreement will remain in full effect for the stations unaffected by the non-renewal.

3. Hours of Programming. During the Term of this Agreement, EMF will supply the Programming during all hours of the Stations' operations and Licensee will transmit all programming supplied by EMF, except as otherwise provided in Sections 4 and 5 below and subject to the provisions set forth in Section 15 below with respect to force majeure. EMF will provide all such programming, produced at its own cost and expense. EMF shall install and bear all expenses accrued from the installation of (a satellite-receive dish, mount, and all additional satellite related equipment, an equipment rack with all necessary equipment to receive EMF Programming, program the stations, process audio and comply with EAS message requirements at a mutually-agreed upon location at the Station's studio or elsewhere to receive the Programming. Attachment 1 contains a list of the equipment contained in EMF's standard equipment rack.

4. Reservation of Time. Licensee specifically reserves, at its option, for its own use two (2) hours per week of programming time (the "Reserved Time") during which it may broadcast programming of its own choice on the Stations provided, however, that Licensee agrees that the Reserved Time programming will be non-commercial in nature and consistent with EMF's format. Unless otherwise mutually agreed upon by the parties, Licensee may run its programming during the Reserved Time on Sunday mornings between the hours of 6 AM to 8 AM. Despite this option, EMF will email to Licensee their Quarterly Issues and Programming reports that comply and satisfy FCC Rules within 10 days of the quarter ending.

5. Licensee's Regulatory Obligations.

(a) Nothing herein shall be construed as limiting in any way Licensee's rights and obligations as an FCC licensee to make the ultimate programming decisions for the Stations and to exercise ultimate control and responsibility with respect to the operations of the Stations. Licensee will remain responsible for ensuring that the Stations' overall programming is responsive to community needs and serves the public interest. To that end, Licensee, in its good faith and sole discretion, has the authority to:

(i) reject and refuse to transmit any programming produced or proposed by EMF that Licensee deems to be unsatisfactory, unsuitable, or contrary to the public interest;

(ii) originate or rebroadcast from any source any programming which Licensee deems to be of greater local or national importance than the programming supplied by EMF or which Licensee believes will better serve the needs and interests of the Station's service area; and

(iii) interrupt EMF's programming in case of an emergency.

(b) In the event that Licensee rejects any of EMF's programming pursuant to sub paragraph (a)(i) above, Licensee shall, insofar as practicable, give EMF reasonable prior notice of its objection to EMF's proposed programs, including the basis for such objection, and shall use commercially reasonable efforts to give EMF a reasonable opportunity to substitute acceptable replacement programming. EMF shall air the Station's hourly station identification announcements on behalf of Licensee so that such announcements are aired in accordance with FCC rules, regulations and policies ("FCC Rules").

(c) Licensee, solely for the purpose of ensuring EMF's compliance with applicable law, including without limitation FCC Rules and the Station's policies, shall be entitled to review on a confidential basis any programming material relating to the Programming as it may reasonably request.

#### 6. EMF's Obligations

(a) EMF will furnish the artistic personnel and all materials for the production of the radio programs provided for by this Agreement. All of EMF's programming will be delivered to Licensee's studios in a form suitable for broadcast pursuant to the Rules and Regulations of the FCC.

(b) EMF may, in its sole discretion, replace, modify or cancel its programming format, or require a change in its delivery system, without advance notice to Licensee so long as such changes do not materially prevent Licensee from receiving and rebroadcasting EMF's programming.

#### 7. Operation of the Stations.

(a) Licensee shall employ at its expense such employees to direct the day-to-day operations of the Stations as may be necessary to comply with the provisions of the Communications Act and applicable FCC Rules regarding main studio staffing and such additional personnel as shall be necessary to enable Licensee to perform its obligations under this Agreement. All such employees will report to and be accountable solely to Licensee.

(b) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Stations, including costs of maintaining and repairing the studio facilities, the Station's transmitters and antennas, excluding the EMF provided equipment rack and satellite equipment, the cost of electricity and other utilities, rental payments, taxes and the salaries, taxes, insurance and related costs for all personnel employed by Licensee at the Stations. The payment and reporting of all ASCAP, BMI and SESAC fees will be the sole responsibility of EMF.

(c) At its own expense, and in compliance with any applicable statutes and

FCC Rules, EMF may provide and install any equipment it deems necessary or useful to supply the Programming to the Stations, under the supervision of Licensee. Upon termination of this Agreement, such property will remain the sole property of EMF and EMF shall promptly remove all such equipment from the premises of the Stations. EMF may, at its option, use Licensee's studio and other facilities to exercise its rights and perform its obligations under this Agreement; provided, that during the Term, EMF's employees shall be subject to the exclusive control and supervision of Licensee at all times when they are in the main studio of the Stations and utilizing facilities made available for their use within the Station's main studio.

(d) Station Identification; EAS Tests. During all hours when EMF is delivering programming for broadcast over Licensee's radio stations, it shall be Licensee's responsibility to broadcast, at the appropriate times, the hourly station identification announcement required by the FCC rules and policies. Additionally, during all hours when EMF's programming is being broadcast over Licensee's radio station, it shall be Licensee's responsibility to see that the EAS equipment provided by EMF in their equipment rack functions as the FCC Rules require, including the monitoring of WNMU 90.1 FM, WGLQ 97.1 FM, NOAA WX 162.550 MHz, and CAP Compliance Licensee will monitor at its studios or control point the EMF supplied equipment capable of receiving test messages and alerts over the Emergency Alert System ("EAS"), which EAS receiver shall be either continuously monitored by the Licensee or compliance with the FCC's EAS rules shall be made in any other legal manner by Licensee.

(e) Webcasting. In the event EMF decides to stream Licensee's Radio Station signals on the Internet, it shall be EMF sole responsibility to obtain the proper statutory licenses and pay all costs associated with the stream.

8. Noncommercial Nature of EMF Broadcasts. EMF represents and warrants to Licensee that EMF is a California non-profit corporation which broadcasts the Programming on a noncommercial basis with revenues generated through contributions and donations received from contributors and donors residing within communities receiving the Programming. EMF further covenants to Licensee that the Stations shall not broadcast any commercial announcements during the hours in which the Programming is rebroadcast over the Stations. Licensee acknowledges that all donations received from listeners within the Station's service area as a result of the rebroadcasting of the Programming shall be the sole property of EMF. Licensee shall promptly forward any donations it receives to EMF at the address specified for notices herein, along with an accounting specifying the name and address of each such donor, and the date on which the donations were received.

9. Consideration. In consideration for the air time made available on the Stations by Licensee to EMF during the Term of this Agreement, EMF will pay Licensee a monthly licensee fee (the "Monthly Payment") as set forth in Attachment 2 hereto, which shall be due and payable on the first (1st) business day of each calendar month during the Term. Licensee represents that the Monthly Payment is representative of its costs associated with the Stations. Licensee shall pay the Stations' operating expenses from these funds.

10. Credits. EMF may elect to reduce the amounts to be paid to Licensee pursuant to Section 8 above on a pro rata basis for any month in which: (a) Licensee voluntarily decides to preempt EMF's programming pursuant to Section 5(a)(i) or (ii) of this Agreement; or (b) the Stations are unable, due to a failure of the equipment maintained by Licensee, to meet the minimum programming requirement set forth in Section 3 above or the provisions of Section 12(c) with respect to the broadcast of EMF's programming, in each case such reduction shall be based upon the hours or fraction thereof by which the Stations fail to meet that minimum hour requirement. EMF shall be entitled to a credit in the amount of the reduction against any subsequent payment to be made to Licensee under Section 8 above.

11. Limited Grant. Nothing herein contained shall be construed as an assignment or grant to Licensee of any right, title or interest in or to any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with the Programming or EMF beyond the grant of a limited rebroadcast consent on the terms herein specified. All rights not specifically granted to Licensee hereunder in and to the Programming and signal and the content thereof are reserved to EMF for its sole and exclusive use, disposition and exploitation. Moreover, the parties hereto understand and agree that third persons may hold copyrights or other legal rights in and to certain programs broadcast on the Programming and that the right to rebroadcast the Programming granted hereunder shall not be deemed in any way to cover, convey or transfer such rights of third persons.

12. Representations, Warranties and Covenants of Licensee. Licensee hereby makes the following representations, warranties and covenants to EMF:

(a) This Agreement constitutes a legal, valid and binding obligation of Licensee, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which Licensee is subject, or constitute a breach of or default under any contract, agreement, or other commitment to which Licensee is a party or may be bound.

(c) Licensee shall operate the Stations and shall maintain the Stations' facilities in material compliance with the Communications Act and all applicable FCC Rules, including but not limited to the FCC's sponsorship identification rules. Licensee shall maintain the Stations' facilities in good working order and shall repair and update the Stations' equipment as reasonably necessary. Licensee shall operate the Stations' transmission facilities at no less than 90% of their full authorized power during the Term hereof, except for periods of routine maintenance or events of force majeure, and Buyer's remedy for a breach hereof shall be a credit under Section 9 hereof.

(d) Licensee shall retain, on a full-time, part-time, or contract basis, a qualified engineer who shall be responsible for maintaining the transmission facilities of the Stations. Licensee shall also retain a chief operator, as that term is defined by FCC Rules (who may also



hold the position of engineer), who shall be responsible for maintaining compliance by the Stations with the technical operating and reporting requirements established by the FCC, and Licensee shall be responsible for ensuring that qualified control operators monitor and control the Stations' transmissions in material conformity with FCC requirements. Since there will be EMF supplied equipment in the signal path, and necessary for the reception of EMF Programming EMF agrees to aid Lessee in replacement or repair of EMF gear including bearing the shipping charges from EMF to Lessee. This equipment is EMF's responsibility and if it inhibits Licensee from broadcasting EMF programming the responsibility will be EMF's to remedy the situation with help as needed from Licensee.

(e) Licensee shall maintain a main studio and staff in material conformity with FCC requirements at all times during the Term, and Licensee shall maintain an appropriate public inspection file, and shall maintain that file as may be required by present or future FCC Rules.

(f) Licensee possesses and will maintain all rights necessary to broadcast the programming supplied hereunder, including such rights as may be necessary to permit Licensee to rebroadcast the programming supplied hereunder.

13. Representations, Warranties and Covenants of EMF. EMF hereby makes the following representations, warranties and covenants to Licensee:

(a) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of EMF, and this Agreement constitutes a legal, valid and binding obligation of EMF, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which EMF is subject or constitute a breach or default under its charter, bylaws or any contract, agreement, or other commitment to which EMF is a party or may be bound.

(c) The Programming supplied by EMF for broadcast on the Stations will comply with all applicable laws, including without limitation, the Communications Act and FCC Rules.

(d) EMF will immediately send to Licensee for review and placement in the Stations' public inspection file, copies of any letters or complaints received by EMF concerning the Programming or the operation of the Stations.

(e) The provision of programming by EMF pursuant to this Agreement will comply with the provisions of Section 73.3555(a)(1) of the FCC's Rules (including the Notes thereto) concerning multiple ownership.

(f) EMF will not accept any consideration, compensation or gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively,

“Consideration”), unless the payer is identified in the program for which Consideration was provided as having paid or furnished such Consideration, in accordance with the Communications Act and FCC Rules.

14. Termination.

(a) EMF’s Events of Default. The failure of EMF to observe or perform any material covenant, condition or agreement contained in this Agreement and failure to make a Monthly Payment and the continuation of such failure through the cure period shall be deemed an Event of Default by EMF under this Agreement.

(b) Licensee’s Events of Default. The failure of Licensee to observe or perform any material covenant, condition or agreement contained in this Agreement and the continuation of such failure through the cure period shall be deemed an Event of Default by Licensee under this Agreement.

(c) Cure Period. EMF shall have ten (10) days to cure an Event of Default measured from the date that Licensee has provided EMF with written notice that EMF is in default in its obligation to make the Monthly Payment. In the case of an Event of Default by Licensee, the Licensee shall have thirty (30) days to cure the Event(s) of Default measured from the date on which EMF has provided Licensee with written notice specifying the Event(s) of Default. If the Event of Default cannot be cured by the Licensee within the specified time period, but the Licensee is making commercially reasonable efforts to effect a cure or otherwise secure or protect the interests of EMF (in which case, if successful, the Event of Default shall be deemed cured), then the Licensee shall have an additional period not to exceed thirty (30) days to effect a cure or a deemed cure.

(d) Termination for Uncured Event of Default. If an Event of Default has not been cured or deemed cured within the periods set forth in Section 14(c) above, then the non-defaulting party may terminate this Agreement immediately upon written notice to the defaulting party.

(e) Governmental Action. This Agreement may be terminated by either Licensee or EMF by written notice to the other in the event this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and such order or decree has become final (i.e., an action that has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition, or appeal or reconsideration by the FCC on its own motion has expired).

In the event of termination, all rights and privileges granted to Licensee hereunder shall forthwith cease and terminate and revert to EMF for EMF’s sole and exclusive use and disposition, and Licensee shall cease any further use of the Programming and the content thereof, including without limitation any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with the Programming.

15. Indemnification.

(a) EMF shall indemnify, defend and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description (hereinafter referred to as "Loss and Expense"), arising out of: (i) the content of the Programming furnished by EMF under this Agreement; (ii) any misrepresentation or breach of any warranty of EMF contained in this Agreement; (iii) the wrongful or negligent actions of EMF's employees and agents on the premises maintained by Licensee including, without limitation, any premises used in connection with the operation of the Stations; and (iv) any breach of any covenant, agreement, or obligation of EMF contained in this Agreement.

(b) Licensee shall indemnify, defend and hold harmless EMF from and against all Loss and Expense arising out of the breach of any representation, warranty or covenant of Licensee contained in this Agreement.

16. Force Majeure. Licensee shall not be liable for any failure of performance hereunder due to causes beyond its commercially reasonable control, including without limitation, acts of God, equipment malfunction or commercial power failure or reduction. In the event of the occurrence of any such event, Licensee agrees to use commercially reasonable efforts to resume performance as promptly as practicable.

17. Assignment. This Agreement shall be binding upon each party's successors and assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party which consent shall not be unreasonably withheld.

18. No Joint Venture. Nothing contained herein shall be deemed to create any joint venture, partnership, or principal-agent relationship between EMF and Licensee, and neither party shall hold itself out in any manner which indicates any such relationship with the other.

19. Notices. All notices and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery, by facsimile (with written confirmation of receipt), or by overnight delivery service (charges prepaid) which guarantees such delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Licensee, to:

CHRISTIANRADIOBROADCASTING.ORG, INC.  
1921 Ridge St.  
Marquette, MI 49855  
Attn: Rita Noordyk

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



Cary S Tepper  
Tepper Law Firm, LLC  
4900 Auburn Avenue  
Suite 100  
Bethesda, MD 20814

If to EMF, to:

Mr. Mike Novak, President/CEO  
Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765

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

Educational Media Foundation  
5700 West Oaks Blvd.  
Rocklin, CA 95765  
Attn: General Counsel

20. Entire Agreement; Modifications. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof. This Agreement may be executed in counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. No amendment or modification of this Agreement shall be binding on either party hereto unless first reduced to writing and signed by both parties hereto.

21. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Michigan without regard to conflicts of law principles.

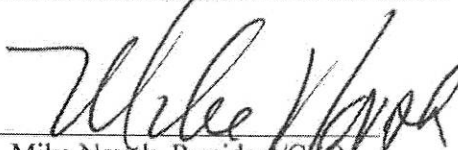
*[THE NEXT PAGE IS THE SIGNATURE PAGE]*

IN WITNESS WHEREOF, the parties hereto have executed this Network Affiliation Agreement as of the day and year first above written.

**CHRISTIANRADIOBROADCASTING.ORG, INC.**

By:   
Rita Noordyk, President

**EDUCATIONAL MEDIA FOUNDATION**

By:   
Mike Novak, President/CEO

# ATTACHMENT 1

## EQUIPMENT LIST

EMF standard rack contains the following equipment:

Qty	EMF No.	Item
1	ENG001072	Rack; Tall 84"
1	ENG000006	Wire Harness
1		Wire Harness Spine; Angle Iron
1	ENG000007	Power Strip
1	ENG000008	Power Cord, 18" (5?)
1	ENG000009	Power Cord, 24" (1?)
1	ENG000012	FM Off Air Receiver
1	ENG001692	Modulation Monitor
1	ENG000879	Relio; IP Remote Control
1	ENG000880	Relio; Wiring Panel
1	ENG001111	Relio; DB9 M-F Serial Cable
1	ENG001128	Satellite Receiver
1	ENG000757	iPump; Media Server
1	ENG000298	Audio Processor
1	ENG001623	EAS Receiver; Crown
1	ENG000027	Digital ENDEC
1	ENG000594	Modem; Satellite
1	ENG000906	Switch; 24 Port
1	ENG000918	Power Cord; Right Angle; 6ft
1	ENG000032	Monitor Box; Sine
1	ENG000317	Shelf; Modified w/Brkts
1	ENG001272	Mixer; 8 Channel
1	ENG000035	Audio Delivery Unit
1		ADU Audio Cable
1		Grey ADU to SatRx Interface Cable
1	ENG000937	Smart UPS
1	ENG000936	Smart UPS NIC
1	ENG001357	Temp Probe w/SNMPv2
1	ENG000286	PwrSply; (Adapter) TPI/BOR
1	ENG000889	Assembly; Temp Probe (Blue)

1	ENG000890	Assembly; Temp Probe (Orange)
1	ENG001170	Assembly; Temp Probe (Green)
1	ENG000907	Modem; Voice Over IP (VOIP)
1	ENG001016	Cable; Cat5e; 1ft
8	ENG001583	Cable; Cat5e; 3ft
1	ENG001018	Cable; Cat5e; 6ft
1	ENG000917	Cable; Null, DB9F to DB25F, 6ft
1	ENG000568	Side Panel; 7x32 Rack IP Pnl
1	ENG000569	Side Panel; 7" X 38" Rack IP
1	ENG000969	Splitter; L-Band 4-Way
1	ENG000064	Splitter; 3-Way
10		Single RU spacer
1		Velcro Fastener - ~1ft/rack
1		Velcro Fastener - ~1ft/rack
20		Ty-Raps (~20 per rack)
96		Rack Screws (96)
50		Cable Labels (50)

Certain equipment may be deleted or substituted based on the needs of a particular application.

## **ATTACHMENT 2**

The Monthly Payment shall be:

During the Initial Term            per month

During the First Renewal Term            per month

During the Second Renewal Term            per month