

TIME BROKERAGE AGREEMENT

THIS TIME BROKERAGE AND PROGRAM SERVICES AGREEMENT (this "**Agreement**") is made and entered into as of this 1st day of January, 2023, by and between Salem Media of Hawaii, Inc., a corporation organized and subsisting under the laws of the State of Delaware ("**Licensee**") and Gospel Broadcasting Services of Hawaii, a non-profit Hawaii corporation (the "**Programmer**").

B A C K G R O U N D

WHEREAS, Licensee is the Federal Communications Commission (the "**FCC**") licensee of radio station KHCM(AM) 880 kHz, Honolulu, Hawaii (FCC Facility ID No. 10934) (the "**Station**"), and has available broadcasting time on the Station;

WHEREAS, Programmer desires to avail itself of the broadcast time of the Station for the presentation of a programming service, including the sale of advertising time, in accordance with procedures and policies approved by the FCC.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Sale Of Time

1.1. Broadcast of Programming

During the Term, as defined below, Licensee shall make available exclusively to Programmer broadcast time on the Station from 6:00 a.m. to 5:59 a.m. Monday through Sunday for the broadcast of Programmer's programs (the "**Programming**"); provided that Licensee shall specifically reserve from such time: (a) downtime occasioned by routine maintenance consistent with prior practice; (b) such times as the parties may agree, during which time Licensee may broadcast additional programming designed to address the concerns, needs and issues of the Station's listeners ("**Licensee's Public Service Programming**"); (c) times when Programmer's programs are not accepted or are preempted by Licensee in accordance with Section 2.3 of this Agreement or because such Programming does not satisfy the standards of Section 2.4.1 of this Agreement; (d) Force Majeure Events, as defined in Section 1.6 of this Agreement; and times reserved by Licensee pursuant to Section 1.5 hereof (such hours, subject to the reservation, being the "**TBA Hours**").

1.2. Term

This Agreement shall be effective and binding between the parties as of the date first set forth above. The term for the provision of Programming by the Programmer and related performance thereto by both parties of this Agreement (the "**Term**") shall be for the period commencing on January 1, 2023, or such other time as the parties mutually agree (the

“**Commencement Date**”), and terminating on the earliest of: (a) termination of this Agreement pursuant to Section 7; or (b) December 31, 2024.

1.3. Payments

Programmer shall pay to Licensee the following fees for the rights granted under this Agreement (the “**Fee**”):

January 1, 2023 – December 31, 2024 – [REDACTED]
[REDACTED]

In addition to the Fee, Programmer shall pay to Licensee a monthly amount for electricity as specified in Section 3.2.

1.4 Security Deposit

None.

1.5 Advertising and Programming Revenues

During the Programming it delivers to the Station, the Programmer shall have full authority to sell for its own account commercial spot advertising on the Station and to retain all revenues from the sale of such advertising. Notwithstanding the foregoing, the Licensee shall retain ten (10):60 units and one (1) hour of broadcast time per day on the Station for airing its own commercial advertising sales, public notices, station identification or for any other use. Subject to the other terms and conditions of this agreement, the parties agree that the Programmer shall have complete discretion to deal as it deems appropriate with all advertising and accounts relating to advertising sold by it; provided, however, the Programmer shall deal with political candidate and supporter advertising as required by law. Licensee shall retain the right to sell and collect revenue from the sale of any programming or advertising on the Station on programs not produced or delivered to it by Programmer.

1.6 Force Majeure Events

Any failure or impairment of facilities or any delay or interruption in broadcasting the Programming due to acts of God, strikes or threats thereof, force majeure or any other causes beyond the control of Licensee (collectively, “**Force Majeure Events**”), shall not constitute a breach of this Agreement.

2. Programming And Operating Standards

2.1 Nature of the Programming

Licensee acknowledges that Programmer has provided a description of the nature of the Programming to be produced by Programmer and Licensee has determined that the broadcasting of the Programming on the Station will serve the public interest.

2.2. *Right to Use the Programming*

The ownership of and all rights to use the Programming furnished by Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times vested solely in Programmer except as specifically authorized by this Agreement.

2.3. *Obligations and Rights of Licensee*

Licensee shall be ultimately responsible for the control of the day-to-day operations of the Station and for complying with the FCC's rules and regulations with respect to (a) the staffing and maintenance of the Station's main studio; (b) the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to equal opportunities, lowest unit charge and reasonable access); (c) the broadcast and nature of public service programming; (d) the maintenance of political and public inspection files and the Station's logs; (e) the ascertainment of issues of community concern; (f) the preparation of all quarterly issues/programs lists; and (f) the preparation and filing with the FCC of all required material with respect to the Station, including the Station's Biennial Ownership Report and periodic employment reports.

2.3.1. *Licensee's Right to Reject Programming*

Licensee shall retain the right to accept or reject any Programming or advertising announcements or material which Licensee in its good faith, reasonable judgment deems contrary to the Communications Act of 1934, as amended and the rules, regulations and policies of the FCC promulgated thereunder (collectively, the "FCA"). Licensee reserves the right to refuse to broadcast any Programming containing matter that Licensee reasonably in good faith believes to be, or that Licensee reasonably in good faith believes may be determined by the FCC or any court or other regulatory body with authority over Licensee or the Station to be, violative of any right of any third party or indecent, profane or obscene. Licensee may take any other actions which Licensee in its good faith, reasonable judgment deems necessary to ensure that the Station's operations comply with the laws of the United States, the State of California, and the FCA (including the prohibition on unauthorized transfers of control). If, in the reasonable good faith judgment of Licensee or its General Manager, any portion of the Programming presented by Programmer does not meet the requirements of Section 2.4.1 of this Agreement, Licensee may suspend, cancel or refuse to broadcast any such portion of the Programming. Licensee expressly agrees that its right to reject or preempt any of the Programming or take action to ensure compliance with applicable laws shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee, and the exercise by Licensee thereof shall be limited to the minimum extent reasonably necessary.

2.3.2. *Licensee's Right to Preempt Programming for Special Events*

Licensee shall have the right, in its reasonable, good faith judgment, to preempt any of the broadcasts of the Programming in order to broadcast a program deemed by Licensee, in its good faith, reasonable judgment, to be of greater national, regional, or local interest. In all such cases, Licensee will use its best efforts to give Programmer reasonable advance notice of its intention to preempt any regularly scheduled Programming, and, in such

event, Programmer shall receive a payment credit for the Programming so omitted consistent with the intent and pursuant to the terms of Section 1.3 of this Agreement. Licensee expressly agrees that its right to reject or preempt any of the Programming shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee.

2.3.3. Maintenance and Repair of Transmission Facilities

Licensee shall use commercially reasonable efforts to maintain the Station's transmission equipment and facilities, including the respective antenna, transmitter and transmission line, and, shall provide for the delivery of electrical power to the Station's transmitting facilities in order to permit operation of the Station. Licensee shall use commercially reasonable efforts to undertake such repairs as are reasonably necessary to resume operation of the Station with the maximum authorized facilities, as expeditiously as possible following the occurrence of any loss or damage preventing such operation.

2.3.4. Main Studio

Licensee shall maintain a main studio (the "**Main Studio**") for the Station in the manner required under FCC rules.

2.3.5. Compliance with FCC Technical Rules

Licensee shall designate and engage at its expense a qualified Chief Operator for the Station who shall be responsible for maintaining the transmission facilities of the Station and who shall be responsible for ensuring compliance by the Station with the technical operating and reporting requirements established by the FCC.

2.4. Obligations and Rights of Programmer

2.4.1. Compliance with Laws and Station Policies

All Programming shall conform in all material respects to all applicable provisions of the FCA, all other laws or regulations applicable to the broadcast of programming or commercial advertisements by the Station, and the standards set forth in Schedule 2.4.1. At no time during the Term shall Programmer or its employees or agents represent, hold out, describe, or portray Programmer as the licensee of the Station.

2.4.2. License to Use Call Sign

During the Term of this Agreement, Licensee grants Programmer the right to use the Station's call signs in connection with and during the Programming during the Term.

2.4.3. Cooperation with Licensee

Programmer, on behalf of Licensee, shall furnish within the Programming all Station identification announcements required by the FCA, and shall, upon request by Licensee, provide to Licensee information with respect to any of the Programming which is responsive to the public needs and interests of the area served by the Station to assist Licensee in

the preparation of any required programming reports and will provide upon request other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall maintain and deliver to Licensee all records and information required by the FCC to be placed in the public inspection file 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 FCC's rules, and agrees that, when presenting to Licensee for broadcast on the Station sponsored programming addressing political issues or controversial subjects of public importance, Programmer will do so in accordance with the provisions of Section 73.1212 of the FCC's rules and the applicable rules of the Federal Election Commission. Programmer shall consult with Licensee and adhere to all applicable provisions of the FCA, 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, other parties, to "*equal opportunities*") and the charges permitted for such programming or announcements, and, in the event of a dispute, Licensee's determination shall govern.

2.4.4. Payola and Plugola

Programmer shall provide to Licensee in advance any information known to Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by Programmer for broadcast on the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Commercial matter or programming with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy or announced in connection with the programming. Programmer shall at all times endeavor in good faith to comply with the requirements of Sections 317 and 507 of the FCA.

2.4.5. Handling of Communications

Programmer shall provide Licensee with the original or a copy of any correspondence from a member of the public relating to the Programming to enable Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file. Licensee shall not be required to receive or handle mail, cables, telegraph or telephone calls in connection with the Programming unless Licensee has agreed to do so in writing. Licensee shall promptly forward to Programmer all correspondence, payments, communications or other information and/or documents which it receives and which relate to the Programming, including without limitation, invoices, billing inquiries, checks, money orders, wire transfers, or other payments for services or advertising.

2.4.6. Use of Main Studio / Delivery of Programming

Programmer shall not be entitled to use the Main Studio. Programmer shall be solely responsible for delivering the Programming to the Station's transmitter site or the Main Studio (as directed by Licensee) for broadcast on the Station. In the event that Programmer needs to obtain a studio transmitter link or similar FCC authorization to facilitate

Programmer's delivery of the Programming, Licensee agrees that it shall cooperate reasonably with Programmer to file any required application for such authority with the FCC.

3. Responsibility For Employees And Expenses

3.1. Licensee's Responsibility for Employees and Expenses

Licensee will employ at least two persons at the Station: a full-time General Manager for the Station (who may or may not also be the designated Chief Operator), who shall report and be solely accountable to Licensee and shall direct the day-to-day operations of the Station, and a staff-level employee who shall report to and assist the manager in the performance of his or her duties. Licensee will be responsible for the salaries, benefits, taxes, insurance and similar expenses for these two employees. Whenever at the Main Studio or otherwise on the premises of the Station, all of Programmer's personnel shall be subject to the supervision and the direction of the Licensee's General Manager and/or the Licensee's Chief Operator, as designated by Licensee. Licensee shall be responsible for the timely payment of the following expenses: (a) lease and/or mortgage payments for the Main Studio and transmitter site and all taxes and other costs incident thereto; (b) all FCC regulatory fees; (c) real estate and personal property taxes; (d) utility costs (telephone, electricity, etc.) relating to the Main Studio, existing transmitting site, transmitter and antennas, and Licensee's expenses under ASCAP, SESAC and BMI licenses, as required by such organizations; (e) maintenance and repair costs with respect to the transmitting equipment of the Station; and (f) all other reasonable and necessary payments related to the continued operation of the Station incurred by Licensee which are not paid directly by Programmer.

3.2. Programmer's Responsibility for Employees and Expenses

Programmer shall be responsible for the artistic personnel and material for the production of the Programming to be provided under this Agreement. Programmer shall employ and be responsible for the salaries, taxes, insurance and related costs for all of its personnel used in fulfillment of its rights and obligations under this Agreement. Notwithstanding anything to the contrary in Section 3.1 of this Agreement, in addition to the Fee specified in Section 1.3, Programmer shall pay to Licensee the amount of [REDACTED] [REDACTED] [REDACTED] for electric utility costs incurred at the Station transmitter site, which shall be paid concurrently with the payment of the Fee pursuant to Section 1.3. Programmer shall pay for all costs associated with production of the Programming and listener responses, including any other copyright fees, and all other costs or expenses attributable to the Programming that is delivered by Programmer and broadcast on the Station. Programmer shall maintain at its expense commercially reasonable coverage for broadcaster's liability insurance, worker's compensation insurance and commercial general liability insurance with reputable insurance companies for operation of the Station, in amounts reasonably acceptable to Licensee. Licensee shall be named as an additional insured on such policies, and such policies shall not be terminable without notice to Licensee and an opportunity to cure any default thereunder. Programmer shall deliver to Licensee upon request a current certificate establishing that such insurance is in effect. Programmer shall, if required under the FCA, be responsible for adherence to the FCC's EEO standard outreach and recruitment policies for broadcast radio stations.

3.3. *No Third Party Beneficiary Rights*

No provisions of this Agreement shall create any third party beneficiary rights of any employee or former employee (including any beneficiary or dependent thereof) of Licensee in respect of continued employment (or resumed employment) with Licensee or with Programmer or in respect of any other matter.

4. Assignment And Assumption Of Certain Agreements, Rights And Obligations

Programmer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Licensee of any nature whatsoever.

5. Indemnification

5.1. *Indemnification*

From and after the Commencement Date, Licensee and Programmer shall indemnify, defend, protect and hold harmless the other and their members, managers, owners and affiliates (the “**Indemnitees**”) from and against any and all losses, costs, damages, liabilities or expenses (including reasonable attorneys’ fees and expenses) (collectively, “**Claims**”) that are proximately caused by (a) any programming provided by such party for broadcast on the Station; (b) any breach by such party of a representation, warranty, covenant or other agreement contained in this Agreement; and (c) the negligence of such party, its employees or agents in fulfilling its obligations under this Agreement. Without limiting the generality of the preceding sentence, Licensee shall indemnify and hold Programmer and its Indemnitees harmless from and against, and Programmer will indemnify and hold Licensee and its Indemnitees harmless from and against, liability with respect to matters arising from or relating to any programming produced or supplied by the indemnifying party, including liability for libel, slander, infringement of copyright or other intellectual property, violation of rights of privacy or proprietary rights, and for any claims of any nature, including fines imposed by the FCC, as a result of the broadcast on the Station of any programming produced or supplied by indemnifying party, including, without limitation, any programming which the FCC determines was in violation of any FCC rule, regulation or policy relating to lotteries or games of chance; obscenity, profanity or indecency; broadcast hoaxes; or the adequacy of sponsorship identification.

5.2. *Procedure for Indemnification*

The procedure for indemnification shall be as follows:

5.2.1. *Notice*

The party seeking indemnification (the “**Claimant**”) shall give notice to the party from whom indemnification is sought (the “**Indemnitor**”) of any claim, whether solely between the parties or brought by a third party, specifying (i) the factual basis for the Claim, and (ii) the amount of the Claim. If the Claim relates to an action, suit or proceeding filed by a third party against Claimant, notice shall be given by Claimant within fifteen (15) business days after

written notice of the action, suit or proceeding was given to Claimant. In all other circumstances, notice shall be given by Claimant within thirty (30) business days after Claimant becomes, or should have become, aware of the facts giving rise to the Claim. Notwithstanding the foregoing, Claimant's failure to give Indemnitor timely notice shall not preclude Claimant from seeking indemnification from Indemnitor except to the extent that Claimant's failure has materially prejudiced Indemnitor's ability to defend the claim or litigation.

5.2.2. Claims Between Parties

With respect to claims between the parties, following receipt of notice from the Claimant of a Claim, the Indemnitor shall have thirty (30) business days to make any investigation of the Claim that the Indemnitor deems necessary or desirable. For the purposes of this investigation, the Claimant agrees to make available to the Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the Claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the Claim within the 30-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedy.

5.2.3. Third Party Claims

With respect to any Claim by a third party as to which the Claimant is entitled to indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the Claim, and the Claimant shall cooperate fully with the Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnitor. If the Indemnitor elects to assume control of the defense of any third-party Claim, the Claimant shall have the right to participate in the defense of the Claim at its own expense. If the Indemnitor does not elect to assume control or otherwise participate in the defense of any third party Claim, Claimant may, but shall have no obligation to, defend or settle such Claim or litigation in such manner as it deems appropriate, and in any event Indemnitor shall be bound by the results obtained by the Claimant with respect to the Claim (by default or otherwise) and shall promptly reimburse Claimant for the amount of all expenses (including the amount of any judgment rendered), legal or otherwise, incurred in connection with such Claim or litigation. The Indemnitor shall be subrogated to all rights of the Claimant against any third party with respect to any Claim for which indemnity was paid.

5.3. Limitations

Neither Programmer nor Licensee shall have any obligation to the other party for any indemnification hereunder except upon compliance by the other party with the provisions of this Section 5.

6. Default and Cure

6.1. Events of Default

The following shall, after the expiration of the applicable cure periods as set forth in Section 6.2, each constitute an Event of Default under this Agreement by the party responsible for the action, or failure to act, described below:

6.1.1. Non-Payment

Programmer's failure to pay when due the Monthly Fee payable under Section 1.3 and Schedule 1.3 of this Agreement, or the Security Deposit, including any addition thereto, pursuant to Section 1.4 hereof.

6.1.2. Default in Covenants or Adverse Legal Action

a. Any party (i) defaults in the performance of any material covenant, condition or undertaking contained in this Agreement, (ii) makes a general assignment for the benefit of creditors, or (iii) files or has filed against it a petition for bankruptcy, for reorganization or an arrangement, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within 60 days thereafter, or

b. As a consequence of any act or omission of Licensee or Programmer, the FCC issues a Hearing Designation Order or commences any hearing with respect to the Station, issues a Show Cause Order, a Letter of Inquiry (as to which counsel for the party not responsible for the matter addressed in such Letter of Inquiry determines in the reasonable exercise of his discretion that there is a reasonable basis to believe that the FCC may take material adverse action with respect such matter), Notice of Apparent Liability, or Order of Forfeiture with respect to the Station, provided, however that it shall not be an Event of Default by one party, if such Order, Letter of Inquiry, Notice of Apparent Liability or hearing results from the act or omission of the other party hereto. This subsection (b) shall not apply to hearings with respect to any FCC applications during the Term for changes to the facilities of the Station.

6.1.3. Breach of Representation

Any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, proves to have been false or misleading in any material respect as of the time made or furnished.

6.2. Cure Periods

Except as provided herein, an Event of Default shall not be deemed to have occurred until the non-defaulting party has provided the defaulting party with written notice specifying the event or events that, if not cured within ten (10) days, would constitute an Event of Default; provided, however, that in the event of a non-payment as provided in Section 6.1.1 hereof, Licensee shall not have to give such notice or opportunity to cure if, within the preceding twelve (12) months, such notice has previously been given. If not cured within that ten (10) business day period, the Event of Default shall be deemed to have occurred as of the date the event (that is, the act, failure to act, omission, filing, or other such occurrence) triggering the Event of Default occurred. The cure period for a failure by Programmer to supply the Programming for broadcast by the Station shall be five (5) business days from the receipt of written notice by Licensee.

7. Termination

7.1. Termination Upon Default

Upon the occurrence of any other Event of Default, the non-defaulting party may terminate this Agreement, provided that it is not also in material default of this Agreement, and may seek such remedies at law and equity as provided herein. If this Agreement is terminated as a result of Programmer's default in the performance of its obligations, all amounts accrued or payable to Licensee up to the date of termination which have not been paid shall become due and payable within ten (10) business days.

7.2. Termination for Change in Governmental Rules or Policies

The parties believe that the terms of this Agreement meet all of the requirements of current federal governmental policy, including that of the FCC, for time brokerage or local marketing agreements, and agree that they shall negotiate in good faith to meet any governmental concern with respect to this Agreement. If the parties cannot agree within a reasonable time to modification(s) deemed necessary by either party to meet such governmental requirements, either party may terminate this Agreement upon written notice to the other.

7.3. Termination upon Sale of Station

Licensee may terminate this Agreement at any time during the Term upon thirty (30) days prior written notice to Programmer if Licensee files an application with the FCC for the assignment of the Station license to a third party not affiliated with Licensee.

7.4. Certain Matters Upon Termination

7.4.1. No Obligation to Provide Time

If this Agreement is terminated for any reason, Licensee shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities, and Programmer shall have no further obligations to make any payments to Licensee under Schedule 1.3 attributable to any period after the effective date of termination. Programmer shall be solely responsible for all of its liabilities, debts and obligations to third parties incident to Programmer's purchase of broadcast time under this Agreement, including, accounts payable provided that Licensee shall be responsible for Licensee's federal, state, and local tax liabilities associated with Programmer's payments to Licensee under Schedule 1.3. So long as this Agreement is not terminated as a result of Programmer's breach or default, Licensee agrees that it will cooperate reasonably with Programmer to discharge in exchange for reasonable compensation any remaining obligations of Programmer in the form of air time following the date of termination.

7.4.2. Return of Equipment

Programmer shall return to Licensee any of Licensee's equipment or property used by Programmer, its employees or agents, in substantially the same condition as such equipment existed on the Commencement Date, ordinary wear and tear excepted.

7.5. *Liability for Prior Conduct*

No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other for claims of third parties under Section 5 of this Agreement or limit or impair any party's rights to receive or make payments due and owing in accordance with this Agreement on or before the date of such termination.

7.6. *Attorneys' Fees and Costs*

In the event any action or proceeding is commenced by either party to enforce the provisions of this Agreement or to seek remedies for a breach or wrongful termination of this Agreement, the prevailing party in such an action or proceeding shall be entitled to the award of its reasonable attorneys fees and costs incurred in and relating to such an action or proceeding.

7.7 *Limitation on Damage*

Notwithstanding anything here to the contrary, in the event of Licensee's default of this Agreement and its failure to cure such default as provided in Section 6.2 hereof, Programmer shall be entitled to seek, as its sole remedy, specific performance of this Agreement or, in lieu thereof, its actual damages, but not both. Licensee shall not, under any circumstances, be liable for any special, exemplary, punitive, incidental, or consequential damages regardless of the cause.

8. Representations And Warranties

8.1. *Representations and Warranties of Licensee*

Licensee hereby represents and warrants that:

8.1.1. *Organization and Standing*

Licensee is a corporation duly established and in good standing under the laws of the State of Delaware and has all necessary right, power and authority to own the Station's assets, to lease all leased assets and to utilize all of the Station's assets and to carry on the business of the Station.

8.1.2. *Binding Obligation*

Licensee has all necessary power to enter into and perform this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of Licensee, enforceable in accordance with its terms.

8.1.3. *Absence of Conflicting Agreements or Required Consents*

The execution, delivery and performance of this Agreement by Licensee (a) do not and will not require the consent or approval of or any filing with any third party or governmental authority, other than the FCC; (b) do not and will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and

(c) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which Licensee or any of its assets is now subject; and (d) do not and will not violate any provision of Licensee's organizational documents.

8.2. *Representations and Warranties of Programmer*

Programmer hereby represents and warrants that:

8.2.1. *Organization and Standing*

Programmer is a Hawaii non-profit Corporation and, to the extent necessary, is in good standing able to transact business in the State of Hawaii.

8.2.2. *Authorization and Binding Obligation*

Programmer is legally competent and has all necessary authority to enter into and perform this Agreement and the transactions contemplated hereby, and Programmer's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Programmer and constitutes its valid and binding obligation enforceable against Programmer in accordance with its terms.

8.2.3. *Absence of Conflicting Agreements or Required Consents*

The execution, delivery and performance of this Agreement by Programmer: (a) do not and will not require the consent of any third party or governmental authority other than the FCC; (b) do not and will not violate any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (c) do not and will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination or acceleration of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, lease, instrument, license or permit to which Programmer is now subject.

9. *Certifications*

9.1. *Programmer's Certification*

Programmer hereby certifies that this Agreement complies with the provisions of Sections 73.3555 (a) and (d) of the FCC rules.

9.2. *Licensee's Certification*

Licensee hereby certifies that it shall maintain the ultimate control over the Station's facilities, including but not limited to control over the finances with respect to the operation of the Station, over its personnel operating the Station, and over the programming to be broadcast by the Station.

10. Miscellaneous

10.1. Modification and Waiver

No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

10.2. No Waiver; Remedies Cumulative

No failure or delay on the part of Licensee or Programmer in exercising any right or power under this Agreement 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 or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

10.3. Governing Law

The construction and performance of this Agreement shall be governed by the laws of the State of Hawaii without regard to its principles of conflict of law.

10.4. No Partnership or Joint Venture

This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. Except as otherwise specifically provided in this Agreement, no party to this Agreement shall be authorized to act as agent of or otherwise represent any other party to this Agreement.

10.5. Benefit and Assignment

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither Programmer nor Licensee may assign its rights under this Agreement without the prior written consent of the other parties hereto provided that (i) Programmer may, without the consent of Licensee, assign its rights and obligations hereunder in whole or in part to any entity under common control with Programmer provided that the assignee agrees, in writing, to assume and be bound by Programmer's obligations hereunder; and (ii) Licensee may, without the consent of Programmer, assign its rights and obligations hereunder in whole or in part to any successor licensee of Station provided that the assignee agrees, in writing, to assume and be bound by Licensee's obligations hereunder. Upon any such assignment by Programmer of its rights hereunder, references to "**Programmer**" shall include such assignee, provided, however, that no such assignment shall relieve Programmer of any obligation hereunder.

10.6. Headings

The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

10.7. Counterparts

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

10.8. Notices

Any notice, report, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given by hand delivery, by prepaid registered or certified mail, with return receipt requested, or by an established national overnight courier providing proof of delivery for next business day delivery addressed as follows:

If to Licensee: Salem Media of Hawaii, Inc.
4880 Santa Rosa Road
Camarillo, California 93012
Attn: Christopher J. Henderson

If to Programmer: Gospel Broadcasting Services of Hawaii
655 Keeaumoku Street #228
Honolulu, Hawaii 96814
Attention: Daniel Lee
President

The date of any such notice and service thereof shall be deemed to be the day of delivery if hand delivered or delivered by overnight courier or the day of delivery as indicated on the return receipt if sent by mail. Either party may change its address for the purpose of notice by giving notice of such change in accordance with the provisions of this Section 10.8.

10.9. Severability

In the event that any of the provisions of this Agreement shall be held unenforceable, then the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

10.10. Waiver of Trial by Jury

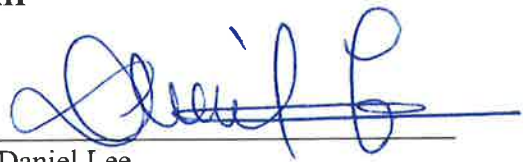
PROGRAMMER AND LICENSEE WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS AGREEMENT. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY PROGRAMMER AND PROGRAMMER ACKNOWLEDGES THAT NEITHER LICENSEE, NOR ANY PERSON ACTING ON BEHALF OF LICENSEE, HAD MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. PROGRAMMER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. PROGRAMMER FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized corporate officers and their respective corporate seals thereunto affixed on this the day and date first written above.

SALEM MEDIA OF HAWAII, INC.

By: 
Name: David P. Santrella
Title: Chief Executive Officer

GOSPEL BROADCASTING SERVICES OF HAWAII

By: 
Name: Daniel Lee
Title: President

SIGNATURE PAGE TO
TIME BROKERAGE AGREEMENT

SCHEDULE 2.4.1

PROGRAM STANDARDS

Programmer agrees to cooperate with Licensee in the broadcasting of programs in a manner consistent with the standards of Licensee, as set forth below:

1. **Political Programming and Procedures.** At least 90 days before the start of any primary or regular election campaign, Programmer will coordinate with Licensee's General Manager the rate Programmer will charge for time to be sold to candidates for public office and/or their supporters to make certain that the rate charged conforms to all applicable laws and the Station's policy. Throughout a campaign, Programmer will comply with all applicable laws and rules concerning political candidacy broadcasts and will promptly notify Licensee's General Manager of any disputes concerning either the treatment of or rate charged a candidate or supporter.

2. **Required Announcements.** Programmer shall broadcast an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station, and any other announcement that may be required by law, regulation, or the Station's policy.

3. **Commercial Record Keeping.** Programmer shall maintain such records of the receipt of, and provide such disclosure to Licensee of, any consideration, whether in money, goods, services, or otherwise, which is paid or promised to be paid, either directly or indirectly, by any person or company for the presentation of any programming over the Station as are required by Sections 317 and 507 of the Communications Act and the rules and regulations of the FCC.

4. **No Illegal Announcements.** No announcements or promotion prohibited by federal or state law or regulation of any lottery, game or contest shall be made over the Station. Licensee reserves the right to reject any game, contest or promotion which, in its reasonable judgment, it deems violative of any applicable FCC rule or federal, state or local law or regulation.

5. **Indecency, Hoaxes.** No programming violative of applicable laws and rules concerning indecency or hoaxes will be broadcast over the Station.

6. **Controversial Issues.** Any broadcast over the Station concerning controversial issues of public importance shall comply with the then current FCC rules and policies.

7. **Licensee's Discretion Paramount.** In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with the Station's policy or which, in the good faith, reasonable judgment of Licensee or its General Manager would be contrary to the Act or the Rules. Licensee may waive any of the foregoing regulations in specific instances if, in its reasonable opinion, good broadcasting in the public interest will be served thereby.