TIME BROKERAGE AGREEMENT

THIS **TIME BROKERAGE AGREEMENT** (this "Agreement") is made and entered into as of April 3, 2019, by and among Salem Communications Holding Corporation, an Ohio corporation ("Licensee"), and Immaculate Heart Media, Inc., a Wisconsin not-for-profit corporation ("Programmer").

WHEREAS, Licensee owns and operates AM radio station WSPZ, 1260 kHz, Washington, District of Columbia (Facility No. 8681) ("Station") pursuant to licenses, permits and authorizations issued by the Federal Communications Commission ("FCC").

WHEREAS, Programmer desires to provide programming for and sell advertising time on the Station (the "Programming") and Licensee desires to accept the Programming on terms and conditions that conform to the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated thereunder (collectively, "Communications Laws") and to this Agreement;

WHEREAS, Licensee (as "Seller" thereunder) and Programmer (as "Buyer" thereunder) have entered into an Asset Purchase Agreement, dated as of March 19, 2018, pursuant to which Licensee shall sell and assign, and Programmer shall purchase and assume, substantially all of the assets associated with the Station ("Purchase Agreement");

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

1.   **Licensee Transmission Facilities.** During the Term (as defined below), Licensee shall make the Station's broadcast transmission facilities (other than the Station's studio) available to Programmer so that Programmer may broadcast the Programming on the Station. Programmer shall be responsible for all costs associated with delivering the Programming to the Station. Programmer will have the right to broadcast its Programming on the Station for up to twenty-four (24) hours each day during the Term. Notwithstanding the foregoing, (a) Licensee may, but is not obligated to, set aside such mutually-agreeable time as it may require on the Station, during which time Licensee may broadcast public affairs programming; (b) Licensee may schedule downtime on the Station for routine maintenance; and (c) Licensee may preempt or cancel any Programming as provided in Paragraphs 4 and 6.1 herein (collectively, "Licensee Programming").

2.   **Consideration, Times, Rates and Charges.**

        2.1.   *Consideration.*   As consideration for the air time made available by Licensee hereunder during the Term, Programmer shall be responsible for reimbursing the operating expenses of the Station, as set forth on *Appendix 1* ("Operating Expenses"). Such operating expenses shall include direct payments and/or indirect reimbursements for expenses that shall remain under Licensee's control. Reimbursements shall be made monthly within fifteen (15) business days of presentment of original invoices and/or bills.

2.2. *Licensee's Responsibility for Expenses.* Licensee shall be solely responsible for payment, from its own account(s) of the direct and indirect operating costs not directly related to Programmer's use of the facilities of the Station (subject to reimbursement of Operating Expenses), including but not limited to:

2.2.1. salaries, commissions, payroll taxes, insurance, benefits and related costs of all personnel employed by Licensee associated with the Station;

2.2.2. the costs of maintaining access to the Station's transmitter site, including any property taxes, rent and/or utilities at such transmitter site, and for transmission lines between Licensee's studio and the Station's transmitter site ("Transmitter Site Expenses");

2.2.3. the costs of maintaining access to the Station's studio site, including any property taxes, rent and/or utilities at the studio site for the Station;

2.2.4. income, gross receipts, excise, real estate, personal property and sales taxes related to the ownership of Licensee's assets or the Station's programming;

2.2.5. insurance premiums designed to cover loss or damage to the Station's facilities as well as general liability insurance;

2.2.6. costs and expenses (including legal costs and filing fees) incurred in connection with the Station's compliance with the Communications Laws ("License Expenses"); and

2.2.7. all annual FCC regulatory fees.

3. **Term**. The term of this Agreement shall commence as of April 12, 2019 ("Commencement Date"), and shall continue for a period (the "Term") ending on the earlier of: (a) one (1) year from the Commencement Date; (b) a Closing pursuant to the terms of the Purchase Agreement; (c) a termination of the Purchase Agreement pursuant to the terms thereof; or (d) termination of this Agreement pursuant to the terms hereof.

4. **Programming and Programming Standards.** Programmer will furnish the artistic personnel and all material for the Programming. All Programming will be broadcast in conformity with the Communications Laws. Licensee reserves the right to review all Programming prior to its proposed broadcast on the Station and to refuse to broadcast, suspend, preempt or cancel any Programming that does not, in Licensee's sole discretion, maintain a quality consistent with its policies and standards.

5. **Exclusive Right to Sell and Retain Revenues.** Subject to Licensee's rights set forth in Paragraph 4 hereto, Programmer shall have the exclusive right to sell advertising time and sponsorships for the Programming. Programmer shall be entitled to keep as its sole and exclusive property all monies, revenues (including but not limited to advertising revenues), profits, royalties, fees, trades and other consideration arising from the Programming. All revenues earned by Licensee in conjunction with the airing of advertising, commercials and sponsorships during Licensee Programming shall be remitted to Programmer. Programmer may deposit any sums it receives with respect to the Station into a bank account (or accounts) established by Programmer,

in Programmer's name ("Programmer Bank Account(s)"), and the funds in any Programmer Bank Account(s) will be the property of Programmer.

6. **Operation of Station.**

6.1. *Management Authority and Control*. Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the Term. Without limiting the foregoing, Licensee's power, authority and responsibility shall include the following:

6.1.1. Licensee Control. Licensee shall be ultimately responsible for the control of the day-to-day operations of the Station and for complying with the Communications Laws, including the employment of Licensee employees for the Station, which, subject to further clarification by the FCC as to minimum staffing requirements, shall be at least one full-time managerial employee and one full-time other employee. Licensee shall retain the right to decide whether to accept or reject any programming or advertisements, the right to preempt any Program in order to broadcast a program deemed by Licensee to be of greater national, regional or local interest, and the right to take any other actions necessary for compliance with any laws, including the Communications Laws.

6.1.2. Communications Laws Paramount. The parties mutually agree that this Agreement will at all times be subject to the Communications Laws and that neither party will take any action which would be inconsistent with such laws. If any provision of this Agreement is deemed to be in violation of any Communications Law, the parties agree to cooperate in modifying or amending this Agreement in such a manner as is necessary to effect compliance. Programmer shall not discriminate in advertising arrangements on the basis of race or ethnicity and all agreements for the sale of advertising shall include the following clause: "WSPZ does not discriminate in the sale of advertising time, and will not accept advertising which is placed with the intent to discriminate on the basis of race or ethnicity. Any provision in any order or agreement for advertising that purports to discriminate, or has the effect of discriminating, on the basis of race or ethnicity, is hereby declared null and void." Programmer shall maintain internal policies for demonstrating compliance with the FCC's nondiscrimination policy and shall exercise due diligence to ensure that all third party advertising arrangements contain a non-discrimination clause in compliance with the Communications Laws.

6.2. *Coordination of Technical Operation.*

6.2.1. Contact. Programmer will advise Licensee of the name, telephone number and address of the representative of Programmer who will be responsible for the Programming and who will be able to discuss matters with Licensee pertaining to the physical condition of the Station and technical matters concerning the Programming.

6.2.2. Notice. Programmer and Licensee will provide the other party oral notice, followed by written confirmation, of any operating deficiency regarding the Station, as soon as practical after such party has actual knowledge thereof.

6.2.3. Station Maintenance. Licensee shall, with the cooperation and assistance of Programmer, maintain in good working order and repair the Station's equipment.

During the Term, Licensee will make the Station available to Programmer for program transmissions for the entire time that the Station is on the air, except for downtime occasioned by required maintenance and other interruptions contemplated herein. Any routine or non-emergency maintenance work affecting the ability of the Station to operate at its fully-licensed power will be scheduled with at least forty-eight (48) hours prior notice to Programmer, and, to the extent possible, will not take place during a rating period; and, to the extent possible, Licensee will cause such maintenance work to be performed between the hours of 12:00 Midnight and 6:00 AM, local Station time.

6.3. *Handling of Mail Telephone Calls, Etc*. Licensee shall not be required to receive or handle mail, cables, electronic mail, facsimiles, telegraph or telephone calls (collectively, "Correspondence") in connection with the Programming unless Licensee, at the request of Programmer, has agreed in writing to do so. In that event, the Licensee's handling of such Correspondence will be done without any risk and liability for Licensee and Programmer will reimburse Licensee for all expenses and any liability so incurred by Licensee in connection therewith. Programmer shall provide Licensee with the original or a copy of any Correspondence received by Programmer necessary to enable Licensee to comply with the Communications Laws.

6.4. *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 the Communications Laws. 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 Communications Act of 1934, as amended.

6.5. *Station Identification Announcements/EAS Tests.* During all hours when Programmer is delivering the Programming, Programmer shall (i) include in the Programming, at the appropriate times, the hourly station identification announcement required to be broadcast over the Station; and (ii) maintain at the location from which the Programming is being originated a receiver capable of receiving test messages and alerts over the Emergency Alert System ("EAS"), which EAS receiver shall be continuously monitored. If an EAS test or alert is received during the hours when Programmer is delivering the Programming, Programmer shall cause the appropriate EAS test or alert message to be transmitted over the Station and shall be responsible for ensuring that the receipt and broadcast of such EAS tests and alerts are properly recorded in the Station's log.

6.6. *Sponsorship Identification*. Programmer shall include in the Programming the sponsorship identification/political advertising announcements with respect to advertising and other material included in the Programming as are required by the Communications Laws.

6.7. *Prompt Payment of Expenses; Commissions*. Licensee shall promptly pay when due any and all expenses or obligations of any kind and nature relating to the Station's

operation, including any engineering expenses, and shall take all steps necessary to ensure the continued uninterrupted use of the Station's equipment and facilities by Programmer.

6.8. *Contracts, etc.* Licensee will use commercially reasonable efforts to comply with all reasonable requests of Programmer with respect to the renewal and cancellation of all contracts (in accordance with their terms), or the entry into or the modification of such contracts, which affect Programmer's broadcasting activities with regard to the Station pursuant to this Agreement.

6.9. *Compliance with Copyright Act*. Programmer shall not broadcast any material on the Station in violation of the Copyright Act or the rights of any person. All music supplied by Programmer shall be (i) licensed by the program provider or by a music licensing agent such as ASCAP, BMI or SESAC, (ii) in the public domain, or (iii) cleared at the source by Programmer. Licensee shall not be obligated to pay any music licensing fees or other similar expenses required in connection with the material broadcast by Programmer on the Station, provided that Licensee will maintain ASCAP, BMI, and SESAC music licenses if needed for the Station subject to reimbursement by Programmer of all music license fees due for the Station under those licenses

6.10. *No Impeding Encumbrances*. Except as set forth herein, throughout the Term, there shall be no liens or encumbrances on the Station's assets that would impede or prevent full and complete access to and use of the Station's facilities by Programmer for the transmission of the Programming and the full performance by Licensee and by Programmer of their obligations under this Agreement.

7. **Programmer Cooperation With Licensee**. Programmer shall cooperate with Licensee to allow Licensee to comply with the Communications Laws in the operation of the Station, including without limitation Licensee's responsibilities set forth in Paragraph 6 hereof.

8. **Responsibility for Expenses.**

8.1. *Programmer Production Costs, Licenses and Fees*. Programmer shall be solely responsible for the salaries, payroll taxes, insurance and related costs for all personnel used by Programmer in the production of its Programming and advertising sales, and for any publicity or promotional expenses incurred by Programmer. Programmer shall be directly responsible for all copyright fees attributable to the Programming, including fees charged by any programming provider, network or syndicator. Programmer also shall pay for any audience ratings service, marketing analysis, demographic studies or program consulting services it desires to utilize. Programmer shall also be responsible for and shall pay for all other costs associated with production of the Programming and delivery of the Programming to the Station's transmitter site or to Licensee's studios (as directed by Licensee).

8.2. *By Licensee.*

8.2.1. Personnel. Licensee shall not be responsible for the personnel associated with the Programming.

8.2.2. Public Inspection File. Licensee shall maintain the Station's public inspection file, consistent with the Communications Laws. Programmer shall maintain, deliver to Licensee and assist Licensee with the required public file obligations related to 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 the Communications Laws 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.

9. **Force Majeure**. Any failure or impairment of facilities or any delay or interruption in broadcasting 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 any other *force majeure* or due to causes beyond the control of Licensee, shall not constitute a breach of this Agreement and in such case, Licensee will not be liable to Programmer.

10. **Compliance with Law**. Programmer agrees that, throughout the Term, Programmer will comply with all laws and regulations applicable in the conduct of Licensee's business and Programmer acknowledges that Licensee has not urged, counseled or advised the use of any unfair business practice.

11. **Indemnification.**

11.1. *By Programmer*. Programmer and its officers, directors, agents, members and stakeholders, employees, and any assigns thereof will indemnify and hold and save Licensee and its officers, directors, agents, members and stakeholders, employees, and any assigns thereof harmless against all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names or program titles, violation of rights or privacy, infringement of copyrights and proprietary rights, FCC forfeitures or from any liability (including legal fees and other expenses incidental thereto) resulting from the Programming. Further, Programmer warrants that the broadcast of the Programming will not violate any rights of others, and Programmer agrees to hold Licensee and tits officers, directors, agents, members and stakeholders, employees, and any assigns thereof from any and all claims, damages, liability, costs and expenses, including reasonable counsel fees (at trial and on appeal), arising directly or indirectly, from the production or broadcast of the Programming. Programmer's obligation to hold Licensee harmless against the liabilities specified above shall survive any termination of this Agreement.

11.2. *By Licensee*. Licensee shall indemnify and hold and save Programmer and its officers, directors, agents, members and stakeholders, employees, and any assigns thereof from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description arising out of Licensee's broadcasts on the Station to the extent permitted by law.

11.3. *Notice and Cooperation*. As a condition precedent to the indemnity obligation of any party hereto, the party requesting indemnification ("Indemnitee") shall give the other party ("Indemnitor") notice of any such claim for indemnity within ten (10) days after Indemnitee has knowledge or notice thereof and the Indemnitee must cooperate and assist the

Indemnitor in the defense of such claim and shall not settle, adjust, compromise, interfere with or otherwise admit or pay such claim without the prior written consent of the Indemnitor.

12. Events of Default.

12.1. *By Programmer.* The occurrence of any of the following events shall be an "Event of Default" hereunder after the expiration of the applicable grace or cure periods, as set forth in Paragraph 13 hereof:

12.1.1. Non-Payment. Programmer's failure to timely pay the Operating Expenses.

12.1.2. Default in Covenants. Programmer's default in the material observance or performance of any material covenant, condition or agreement contained in this Agreement or the Purchase Agreement.

12.1.3. Violation of Licensee Programming Standards. If Programmer consistently fails to conform the Programming substantially in compliance with the Communications Laws.

12.1.4. Breach of Warranties and Representations. If any material representation or warranty made by Programmer in this Agreement or the Purchase Agreement shall prove to have been false or misleading in any material respect when made or furnished.

12.1.5. Default Under or Termination of Purchase Agreement. If Programmer shall be in default of any material term of the Purchase Agreement.

12.1.6. Insolvency, Bankruptcy, Liquidation. If Programmer shall: (a) make an assignment for the benefit of creditors, (b) generally not be paying its debts as they mature, (c) admit its inability to pay its debts as they mature, (d) become insolvent or bankrupt (howsoever such insolvency or bankruptcy may be evidenced), (e) petition, consent or acquiesce to a petition by any other party by any tribunal for the appointment of any receiver, custodian, liquidator or trustee of or for it or any substantial part of its assets, (f) commence, consent or acquiesce to any proceeding relating to it under any bankruptcy, reorganization, readjustment of debt, receivership, dissolution or liquidation law or statute of any jurisdiction, or (g) have commenced against it, any of the foregoing proceedings and the same shall not be dismissed within sixty (60) days or an order, judgment or decree approving the petition in any such proceeding shall be entered against Programmer.

12.1.7. Misrepresentation of Material Fact. If any representation or warranty made by Programmer to Licensee in this Agreement or the Purchase Agreement that materially adversely affects any of the properties, assets, or proposed business of Licensee, or any certificate or statement furnished by or on behalf of Programmer to Licensee in connection with the transactions contemplated herein or therein, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. Notwithstanding the foregoing, Programmer shall not be considered to be in breach or default of Paragraph 12.1.7, and Licensee shall have no rights or remedies with respect thereto, unless the failure of any of such representations, covenants, and

warranties to be true, accurate, and complete results in a material adverse effect on the Station, Licensee or the transactions contemplated by this Agreement.

12.2. *By Licensee.* The occurrence of any of the following events shall be an "Event of Default" hereunder after the expiration of the applicable grace or cure periods, as set forth in Paragraph 13 hereof:

12.2.1. Willful Failure to Broadcast Programming. Licensee's willful failure to broadcast Programming where such failure is not a result of the exercise of Licensee's rights set forth herein.

12.2.2. Breach of Warranties and Representations. If any material representation or warranty made by Licensee in this Agreement or the Purchase Agreement shall prove to have been false or misleading in any material respect when made or furnished.

12.2.3. Default Under or Termination of Purchase Agreement. If Licensee shall be in default of any material term of the Purchase Agreement or if the Purchase Agreement shall have been terminated for any reason other than a breach by Licensee.

12.2.4. Insolvency, Bankruptcy, Liquidation. If Licensee shall: (a) make an assignment for the benefit of creditors, (b) generally not be paying its debts as they mature, (c) admit its inability to pay its debts as they mature, (d) become insolvent or bankrupt (howsoever such insolvency or bankruptcy may be evidenced), (e) petition, consent or acquiesce to a petition by any other party by any tribunal for the appointment of any receiver, custodian, liquidator or trustee of or for it or any substantial part of its assets, (f) commence, consent or acquiesce to any proceeding relating to it under any bankruptcy, reorganization, readjustment of debt, receivership, dissolution or liquidation law or statute of any jurisdiction, or (g) have commenced against it, any of the foregoing proceedings and the same shall not be dismissed within sixty (60) days or an order, judgment or decree approving the petition in any such proceeding shall be entered against Licensee.

12.2.5. Misrepresentation of Material Fact. If any representation or warranty made by Licensee to Programmer in this Agreement or the Purchase Agreement that materially adversely affects any of the properties, assets, or proposed business of Programmer, or any certificate or statement furnished by or on behalf of Licensee to Programmer in connection with the transactions contemplated herein or therein, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. Notwithstanding the foregoing, Licensee shall not be considered to be in breach or default of Paragraph 12.2.5, and Programmer shall have no rights or remedies with respect thereto, unless the failure of any of such representations, covenants, and warranties to be true, accurate, and complete results in a material adverse effect on Programmer or the transactions contemplated by this Agreement.

13. **Cure Period for Default**. An Event of Default shall not be declared hereunder if any party shall default in or fail to observe or carry out any of its covenants under this Agreement and such covenant can be remedied or cured within twenty (20) days without harm or damage to the non-defaulting party.

14. Remedies Upon Event of Default.

14.1. *Event of Default by Programmer*. Upon the expiration of any applicable grace period provided under Paragraph 13 hereof, if any, related to an Event of Default under Paragraph 12.1 hereof, Licensee shall have the right to declare an Event of Default under this Agreement. Upon declaration by Licensee of an Event of Default hereunder Licensee shall have the right to exercise any of its rights and remedies provided for under this Agreement, including without limitation the following:

14.1.1. the right to terminate this Agreement and not have any further obligation to Programmer, including without limitation, (i) no obligation to return any amounts paid by Programmer under this Agreement and (ii) no obligation to make available to Programmer any further broadcast time or broadcast transmission facilities at the Station, and

14.1.2. the right to declare immediately due and payable all amounts accrued or payable to Licensee by Programmer but not yet paid in full under this Agreement up to the termination date, *plus* all of Licensee's costs of collection, including without limitation, Licensee's reasonable attorneys' fees and expenses.

14.2. *Event of Default by Licensee*. Upon the expiration of any applicable grace period provided under Paragraph 13 hereof, if any, with respect to an Event of Default under Paragraph 12.2 hereof and provided that Programmer is not otherwise in breach or default of this Agreement, if applicable, then Programmer shall have the right to terminate this Agreement by sending Licensee a written Notice of Termination. Upon declaration by Programmer of an Event of Default hereunder and **a**fter delivery of such Notice of Termination, Programmer shall have the right to exercise any of its rights and remedies provided for under this Agreement, including without limitation the following:

14.2.1. Programmer shall have no further obligation to make payments under this Agreement except for amounts due and owing for obligations or liabilities incurred prior to the date of Programmer's Notice of Termination; and

14.2.2. Programmer shall have the right to any amounts that may be due and payable by Licensee under this Agreement.

15. **Termination of Agreement Other Than by an Event of Default.** Except as specifically provided herein, and subject to the provisions of Paragraph 16 hereunder, this Agreement may be terminated by either party, *provided, that* the terminating party is not in breach or default under this Agreement, with ten (10) days' prior written notice if (i) there has been a change of law as provided in Paragraph 30 of this Agreement, or (ii) the FCC otherwise adopts a final Rule or Order which has the effect of rendering the substantial operating provisions of this Agreement contrary to the public interest, convenience and necessity pursuant to such Rule or Order, or (iii) a federal or local court of competent jurisdiction in Washington, D.C. declares this Agreement to be null and void and of no further effect. In addition, either party may terminate this Agreement upon sixty (60) days' notice to the other party.

16. **Liabilities Upon Termination**. Upon the effective date of the termination of this Agreement, whether by operation of default, expiration or otherwise:

16.1. Licensee shall be under no further obligation to make available to Programmer any broadcast time or broadcast transmission facilities. Programmer solely shall be responsible for all of its liabilities, debts and obligations to third-parties incident to the Programming, including without limitation accounts payable. Subject to the other portions of this paragraph, 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 termination of this Agreement.

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

16.3. No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other for claims of third parties under Paragraph 11 hereof 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.

17. **Specific Performance and Rights to Cure**.

17.1. The Parties agree that the Assets (as such term is defined in the Purchase Agreement) and the business opportunity represented by the Purchase Agreement and this Agreement are unique and are not readily available on the open market and Programmer would be irreparably injured by Licensee's failure to perform its obligations hereunder. Therefore, in the event of Licensee's breach or default, Programmer shall have the right to seek specific performance and a right to cure with offset, either under the terms of this Agreement or the Purchase Agreement;

17.2. The Parties agree that during the Term, Licensee has the obligation to protect Programmer's interest in the Station as its own. Therefore, in the event of any action (breach, default, or otherwise) by Licensee that would cause Programmer to lose the enjoyment of its rights and interests in this Agreement and the operation of the Station, Licensee will grant Programmer the right to cure such action and the Purchase Price (as defined in the Purchase Agreement) may be offset by the reasonable costs incurred by Programmer associated with such cure.

18. **Authority and Capacity**. Licensee and Programmer represent that they are legally qualified, empowered and able to enter into this Agreement and have full authorization from their governing boards. Licensee and Programmer have complied with and will continue to comply with all laws, rules and regulations governing the business, ownership and operations of the Station that are material to this Agreement. No attendant contracts and undertakings, nor the carrying out of this Agreement, will result in any violation of or be in conflict with any material judgment, decree, order, statute, law, rule or regulation of any governmental authority applicable to Licensee or Programmer, or any material contract, agreement, lease, license, permit, franchise or indenture applicable to Licensee, Programmer or the Station.

19. **Assignment**. This Agreement shall inure to the benefit of and be binding upon Licensee and Programmer and their respective successors and permitted assigns; provided, however, that neither party shall, except to an entity under common control, assign or transfer its rights and benefits, nor delegate its duties and obligations, under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

20. **Call Sign**. Licensee hereby grants to Programmer an unlimited license to use the call sign of the Station in connection with and during the Programming during the Term.

21. **No Waiver; Remedies Cumulative**. No failure or delay on the part of Licensee or Programmer in exercising any right or power under this Agreement will operate as a waiver of that right or power, nor shall any single or partial exercise of any such right of power; nor shall any single or partial exercise of any such right of 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 of power. The rights and remedies of Licensee and Programmer provided in this Agreement are cumulative and are not exclusive of any right or remedies that either may otherwise have.

22. **Appendices**. All appendices and attachments referred herein are deemed part of this Agreement and equally binding on the parties.

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

24. **Counterpart Signatures**. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original but all of which, together will constitute one and the same instrument and binding on the parties, notwithstanding that the patties are not signatory to the original or the same counterpart.

25. **Notices**. Any notice required under this Agreement shall be made as set forth in the Purchase Agreement.

26. **Entire Agreement**. This Agreement and the Purchase Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, between them relating to the subject matter hereof. No amendment or waiver of any provision of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The parties intend that this Agreement be in full compliance with the Communications Laws. If the FCC orders that the parties change any term of this Agreement, then the parties will attempt to do so, consistent with said FCC order and the overall intent of this Agreement.

27. **Construction**. The language used in this Agreement will be deemed to be language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

28. **Severability**. If any provision contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision; and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained in this Agreement.

29. **FCC Certifications**.

      29.1. *By Licensee.* Licensee hereby certifies that it has, and shall maintain ultimate control over the Station's facilities, including specifically control over the Station's finances, personnel and programming. Licensee represents and warrants that this certification may be relied upon by the FCC and Programmer.

      29.2. *By Programmer.* Programmer hereby certifies that the arrangement with Licensee as set forth herein and as contemplated in all aspects of operation is and shall remain in compliance with the Communications Laws concerning time brokerage agreements and duplicated programming. Programmer represents and warrants that this certification may be relied upon by the FCC and Licensee.

30. **Termination as a Matter of Law**. The Agreement shall terminate if the FCC adopts and enacts any rule or regulation or issues any final order, decision or decree which dictates that the transaction contemplated by this Agreement constitutes a violation under the Communications Laws.

31. **Attorneys' Fees.** If any suit is instituted to compel compliance with the provisions of this Agreement and/or to recover damages for the breach thereof, the prevailing party shall be entitled, in addition to any other remedies, to reimbursement of all reasonable litigation expenses, including reasonable attorneys' fees.

32. **Further Assurances**. From time to time after the date of this Agreement, the parties shall take such further actions and shall execute such further documents, assurances and certificates, as either party reasonably may request of the other party in order to effectuate the purposes of this Agreement.

33. **No Partnership Or Joint Venture Created**. Nothing in this Agreement shall be construed to make Licensee and Programmer partners or joint venturers or to afford any rights to any third party other than as expressly provided herein.

34. **Limitation on Damage**. Except for each party's indemnification obligations for third party claims under this Agreement, neither Licensee nor Programmer shall, under any circumstances, be liable for any special, exemplary, punitive, incidental, or consequential damages regardless of the cause.

35. **Governing Law; Jurisdiction; Venue**. This Agreement and the rights of the parties hereto shall be governed, construed and interpreted in accordance with the internal laws of the District of Columbia, without giving effect to the choice of law principles thereof. Jurisdiction and venue for any action arising from or in relation to this Agreement or any provision hereof shall be exclusively in a federal or local court located in or near Washington, D.C., and each party

hereby submits to the jurisdiction of and venue in any such court as the agreed exclusive jurisdiction and venue for any such action.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

LICENSEE: **BROKER:**

SALEM COMMUNICATIONS HOLDING   IMMACULATE HEART MEDIA, INC.
CORPORATION

By: _____   By: _____
    Name: Christopher J. Henderson   Name: Fr. Francis Hoffman
    Title: Executive Vice President   Title: Executive Director

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

LICENSEE: **BROKER:**

SALEM COMMUNICATIONS HOLDING   IMMACULATE HEART MEDIA, INC.
CORPORATION

By: _____   By: _Rev. Francis J. Hoffman_
     Name: Christopher J. Henderson   Name: Fr. Francis Hoffman
     Title: Executive Vice President   Title: Executive Director

OPERATING EXPENSES

During the Term, Programmer shall reimburse Licensee's operating expenses, which consist exclusively of the following ("Operating Expenses"):

1. Transmitter Site Expenses;

2. Income, gross receipts, excise, real estate, personal property and sales taxes related to the ownership of Licensee's assets or the Station's programming;

3. insurance premiums designed to cover loss or damage to the Station's facilities as well as general liability insurance;

4. Public performance music license fees for ASCAP, BMI and SESAC;

5. License Expenses; and

6. Annual FCC regulatory fees incurred during the Term, on a *pro rata* basis, beginning on the Commencement Date.

Licensee shall deliver a statement in reasonable detail with back-up documentation for all such Operating Expenses. Provided Licensee has delivered to Programmer such a statement and documentation, Programmer shall reimburse to Licensee such documented Reimbursed Expenses by the seventh (7th) day of each calendar month during the Term.