AGREEMENT

THIS AGREEMENT, entered into as of February 1, 1996, by and between Calvary Chapel of Twin Falls, Inc., an Idaho non-profit: corporation ("CCTF") and CSN International, a California nonprofit corporation ("CSN").

WITNESSETH

WHEREAS, CCTF is licensee, owner and operator of noncommercial educational FM Station KAWZ(FM), Twin Falls, Idaho (the "Station"); and

WHEREAS, CCTF provides a non-profit, non-commercial and educational broadcast service to its community of license and service area which features talk and music programming designed to educate and enlighten its listeners; and

WHEREAS, CCTF desires to obtain additional programming which will assist it in meeting its objectives and to expand its outreach to other communities by means of FM translator stations; and

WHEREAS, CSN has the personnel, experience and financial resources which would enable CCTF to obtain such additional programming and to so expand its outreach; and

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WHEREAS, CCTF and CSN have ascertained that they share a common vision and agree on the substance and style of programming which would help accomplish their common objectives; and

WHEREAS, CSN desires to assist CCTF, and CCTF desires to accept the assistance of CSN;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

- Responsibilities of CCTF. During the term of this Agreement, CCTF will have the responsibilities and undertake the activities set forth below.
- (a) Operation of the Station. CCTF will continue to be exclusively responsible for the operations of the station, including but not limited to the establishing and maintenance of its basic program policies, the supervision and management of its day-to-day program operations, the conduct and oversight of its technical operations, and the payment of the expenses incurred in connection with such operations, such as staff salaries, utilities, and site rental.

(b) Programming.

(1) CCTF will continue to produce talk and music programming to be broadcast by the Station. CCTF will from time

to time also advise CSN of time periods when the Station has or will have time available for the broadcast of syndicated programming which may be obtained on its behalf by CSN, and during such time periods will broadcast syndicated programs or program series obtained by CSN which CCTF has reviewed and approved.

- in any way CCTP's rights and obligations as a licensee of the FCC to make the ultimate programming decisions for the Station. CCTF will continue to have the authority, in its sole discretion, to reject and refuse to transmit any program obtained by CSN which CCTF, in its sole discretion, deems to be unsatisfactory, unsuitable, or contrary to the public interest. CCTF shall have the absolute right to pre-empt programming obtained by CSN and to instead broadcast programming on the Station that in the exercise of its discretion it deems to be of greater importance to the public. In the event of such rejection, refusal or pre-emption, CCTF shall promptly give notice of such decision to CSN, which notice shall identify the program or programs in questions and provide the reason for such rejection, refusal or pre-emption.
- (c) Translators. CCTF from time to time will continue to select communities within the United States which it believes would benefit from the reception of the Station's program service and will consult with CSN regarding the technical feasibility and

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the desirability of extending the Station's service to each such community. Information which CCTF will provide to CSN regarding each community will include the population thereof, the program services already available therein, the location and availability of the proposed transmitter site, the frequency or frequencies available for use by a translator and the estimated costs of constructing and operating the contemplated translator facility. Upon the concurrence of CSN, CCTF will prepare, file and prosecute an appropriate application for construction permit in each approved community. Upon grant of such application by the FCC, CCTF will construct and operate the subject translator facility, utilizing such facility to distribute the programming broadcast by the Station.

- Responsibilities of CSN. During the term of this Agreement, CSN will have the responsibilities and undertake the activities set forth below.
- (a) Programming. Upon consultation with CCTF, CSN will:
- (1) publicize the nature and coverage (including coverage via translator stations) of the Station's program service and the availability of broadcast time on the Station;
- (2) negotiate for and schedule non-commercial syndicated programs to be broadcast by the Station, subject to the approval of CCTF; and

- (3) arrange for the delivery of such programs to the Station for broadcast. CSN will obtain and forward to CCT? any materials made available by the producers of such syndicated programs which describe or otherwise relate their programs. CSN will undertake all such activities at its own expense.
- (b) Donations. During the term of this Agreement, CSN will maintain a bank account and deposit therein all financial contributions, donations and grants which CSN may receive from persons or organizations who wish to support or underwrite CCIF's program service and CSN's efforts on CCTF's behalf. CSN may use such funds to meet its own expenses incurred in connection with this Agreement and will forward the remaining sums to CCTF as needed to underwrite CCTF's operating expenses. In the event that donations to CCTF from sources other than CSN do not suffice to meet CCTF's ongoing operating expenses, upon the request of CCTF, CSN will contribute to CCTF the additional funds which may be necessary to sustain CCTF's broadcast operations.
- (c) Translators. CSN will provide equipment to CCTF at no cost to CCTF which may be necessary to distribute the Station's programming via CCTF's translator stations, including but not limited to uplink and downlink earth stations, transponders on a geostationary satellite and the retransmission facilities of the translator stations.

- Other Activities. Each party has the right to engage in activities of any nature and description in addition to those activities which pertain to the broadcast operations of the Station and the translator stations as set forth in Sections : and 2 of this Agreement. In the event that one party does engage in an additional activity, the other party shall have no right or obligation with respect to such additional activity.
- Directors. CSN shall elect a representative of CCTF designated by CCTF to be a Director of CSN, and CCTF shall elect a representative of CSN designated by CSN to be a Director of CCTF; provided, however, that if such election on the part of either party would change the control or negative control of such party as such terms are defined by the Federal Communications Commission ("FCC"), such election shall take place only after the prior consent of the FCC has been obtained. Each party shall cause its representative to resign as a Director of the other party immediately upon the termination of this Agreement.
- Representations and Warranties of CCTF. CCTF 5. represents and warrants as follows:
- (a) Organization. CCTF is a non-stock, non-profit corporation organized and in good-standing under the laws of the State of Idaho. CCTF is exempt from income taxation under . Section 501(c)(3) of the Internal Revenue Code.

- enter this Agreement, and the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on its part. The execution, delivery and performance of this Agreement does not and will not violate any provisions of, conflict with, result in a breach of, or constitute a default under CCTF's Articles of Incorporation or any contract, agreement or other obligation to which CCTF is a party or by which CCTF is or may be bound.
- License of the Station is in full force and is effect, is unimpaired by any acts or omissions of CCTF, and is not subject to any restriction nor condition which would limit the full operation of the Station as presently conducted. CCTF has no knowledge of any application, material complaints, proceedings, investigations or inquiries, pending or threatened by or before the FCC relating to the operations of the Station. The Station presently is being operated and will continue to be operated in compliance with the rules and regulations of the FCC governing the operations of non-commercial educational FM radio broadcast stations, including but not limited to those restricting the broadcast of promotional announcements on behalf of for-profit entities.
 - (d) <u>Technical Facilities</u>. The Station transmitter

facilities are capable of being operated, and CCTF will operate the Station, in material conformity with all applicable local, state, and federal laws, rules, and regulations, including, without limitation, the Communications Act of 1934, as amended, and the rules and regulations of the FCC. The transmitting facilities of the Station are currently maintained, and shall continue to be maintained, in accordance with good engineering practice and all applicable FCC rules and regulations. The Station complies and will continue to comply with all engineering requirements as set forth in the Station's FCC License.

- Representations and Warranties of CSN. CSN represents and warrants as follows:
- (a) Organization. CSN is a non-stock, non-profit corporation organized and in good-standing under the laws of the State of California. CSN is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.
- (b) Authority. CSN has full power and authority to enter this Agreement, and the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on its part. The execution, delivery and performance of this Agreement does not and will not violate any provisions of, conflict with, result in a breach of, or constitute a default under CSN's Articles of Incorporation or any

contract, agreement or other obligation to which CSN is a party or by which CSN is or may be bound.

- (c) Non-Commercial operation; Dealings with Third Parties. CSN is familiar with the rules and regulations of the FCC governing the operations of non-commercial educational FM radio broadcast stations, including, but not limited to, those restricting the broadcast of promotional announcements on behalf of for-profit entities. When dealing with third parties in connection with its duties under this Agreement, CSN shall make it clear to such third parties that the Station is a noncommercial educational station. CSN will not obtain any program or announcement for broadcast by CCTF unless the broadcast of such program will comply with the rules and regulations of the FCC governing the operations of such stations. CSN will not state or imply at any time or in any manner that CSN controls CCTF, or that CSN owns or controls the Station or the technical or program operations of the Station, but shall make it clear to the third parties with which it deals in connection with this Agreement that the licensee, owner and operator of the Station is CCTF.
- (d) Capability. CSN has the financial capability, possesses the facilities and has retained employees in sufficient number and of sufficient capability to undertake and fully perform and comply with each of the obligations assumed by CSN in

this Agreement.

Term. This agreement shall continue in force for a 7. five (5) year period commencing on the effective date of this Agreement unless earlier terminated pursuant to Section 7 of this Agreement.

Termination. 8.

- This Agreement may be terminated by either party upon twenty (20) days prior written notice due to the material default or breach of this Agreement by the other party and the failure of such other party to cure such default or breach within such twenty (20) day period; provided, however, that the party providing notice of termination shall not be in material breach or default of this Agreement at the time of such notice.
- (b) This Agreement may be terminated without cause by either party upon ninety (90) days written notice to the other party stating the effective date of termination.
- Assignment. Neither party may assign its rights or obligations hereunder absent the express written consent of the other party.
 - 10. Governing Law. The obligations of the parties are

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subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC. The construction and performance of the Agreement will be governed by the laws of the State of Idaho.

 Notices. Any written notice required or permitted to be given under the provisions of this Agreement shall be deemed to have been duly delivered and received on the date of personal delivery or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or if delivered by Federal Express or similar overnight courier service to:

If to CSN:

Jeffrey W. Smith, Vice President CSN International 3000 W. MacArthur Blvd., 3rd Floor Santa Ana, CA 92704

If to CCTF:

Michael R. Kestler, President Calvary Chapel of Twin Falls, Inc. 241 Main Avenue, West Twin Falls, Idaho 83303

12. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties with regard to the subject matter hereof. No amendment, waiver of compliance with 2~01~1999 4+08PM

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any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the parties.

13. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all. of which togother shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CALVARY CHAPEL OF TWIN FALLS, INC.

CSM INTERNATIONAL

President

Charles W. Smith

President

CERTIFICATION

Calvary Chapel of Twin Falls, Inc. hereby certifies that it will maintain ultimate control over the facilities of KAWZ(FM), including specifically, control over the station's finances, personnel and programming.

Executed this 1 day of February, 1996

Michael R.

President

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