

# AIRTIME PURCHASE TERMS AND CONDITIONS

- 1. Definitions. As used in this Agreement, "Network" shall refer to The Inspirational Network, Inc. "Agency" shall refer to the agency representing the Advertiser/ Programmer under this Agreement; "Advertiser/Programmer" shall refer to the program producer, program provider or other party identified as such under this Agreement. "Purchaser" shall refer to the party purchasing Network airtime hereunder, which may be the Agency, Advertiser/Programmer, or both. "Program" shall refer to broadcast material of not less than five minutes in length which is identified on the first page of this Agreement. "Spot" shall mean broadcast material identified on the first page of this Agreement, which does not qualify as a "Program" as defined herein. "Length," as referenced on the front page of this Agreement, shall, with respect to Spots, refer to the total length of the Spot (i.e., 30, 60, or 90 seconds), and, with respect to a Program, refer to the total block of time (either half-hour or one-hour) during which the Program, along with all Spots will be aired. "Inventory" shall refer to the airtime which is the subject of this Agreement.
- 2. <u>Inventory Ownership</u>. Inventory is and shall remain the sole property of Network and cannot be assigned, transferred, sold, or otherwise disposed of in any manner by Purchaser.

## 3. Program Content and Submission.

- a. Except as otherwise specifically provided for in this Agreement, Purchaser shall furnish all elements and material necessary hereunder. All Programs/Spots furnished by Purchaser (1) shall not contain content which is contrary to the public interest; (2) shall conform to Network's most current program and operating policies, guidelines and quality standards; (3) is subject to Network's prior approval and continuing right to reject or request that such material be edited; (4) shall comply with all applicable laws and regulations; and (5) shall not contain messages which denigrate other religions or which could reasonably be deemed as inciting hatred or violence. Additionally, Programs shall not contain advertising that is not directly associated with the Programmer's ministry. Network reserves the right to refuse to air any specific Program/Spot, which in the sole discretion of Network, contains content that is in conflict with the views and beliefs of Network. If any broadcast material is refused pursuant to this paragraph, and if the Purchaser fails to provide substitute material not less than seven days prior to the scheduled airdate, Network shall substitute acceptable standby programming of its choosing and Purchaser shall in any event remain responsible for payment as specified in this Agreement without credit or compensation in value, airtime or otherwise.
- b. Purchaser shall furnish Network with a written schedule detailing Program/Spot number, requested airdate and exact running time. Such schedule must be received by Network not less than fifteen days prior to the first requested airdate. In the absence of a written schedule, Network shall make the programming schedule for the Purchaser selecting from any available Purchaser provided Program/Spot. Purchaser shall provide Network with a minimum of two (2) standby Programs/Spots, if applicable for emergency use. All such Programs/Spots shall include Program/Spot number and exact running time.
- c. Purchaser shall ship all Programs/Spots on a pre-paid basis so that such material arrives at Network not less than seven days prior to the first requested air date. In the event that any scheduled Program/Spot is not made available to Network according to this schedule, Network shall air (if applicable): (1) The first available standby Program/Spot; (2) the previous week's scheduled Program/Spot; or (3) any other Program or announcement of Network's choice. In the event of substitution due to Purchaser's failure to provide the scheduled programming seven days prior to the requested airdate, Purchaser shall remain responsible for the airtime at the rate specified herein.
- d. Spots furnished by Purchaser shall be subject to review, approval, airing, and scheduling by Network with regard to editorial content and technical quality.
- e. Network shall exercise normal precautions in the handling of property submitted by Purchaser, but assumes no liability for loss or

- damage to Program/Spot, promotional materials, or other property furnished by Purchaser hereunder. Network shall have the right to dispose of all Purchaser-provided material anytime sixty days following the last broadcast hereunder.
- f. Network shall not make any material modifications, deletions, cuts, or alterations in or to any Program / Spot without notifying Purchaser, except that Network may, in its sole discretion, with or without notifying Purchaser, digitize, compress, encode or otherwise modify, or manipulate the signal containing the Program so long as the production quality, content and message of the exhibition is not materially affected.
- g. Purchaser shall guarantee and confirm that any and all music contained in the Programming is either in the public domain, controlled by the Program Provider, or ASCAP, BMI, or SESAC and Purchaser shall be responsible for providing music cue sheets along with the tapes, which shall include the music used, publisher, tape codes, duration of the music, and the corresponding program and/or episode containing the music.
- h. Purchaser acknowledges and agrees that "on-air" fundraising efforts of any type shall not exceed three (3) minutes within any half-hour inventory block.
- i. Purchaser hereby grants Network the right to distribute the Program/Spot throughout the world, in any language, through all forms of linear and video-on-demand distribution technology including, without limitation, terrestrial broadcast, free-to-air satellite, direct broadcast satellite, closed networks (e.g. multichannel video programming distributors delivering channels to paying subscribers via coaxial cable or telco fiber), linear and on-demand Internet streaming (e.g. via one or more websites or apps) and wireless technologies. Purchaser also grants Network the right to create promos derived from one or more Programs/Spots as well as the right to exhibit and distribute the same via the distribution methods described in this paragraph. Such promos may be used by Network to inform viewers of the type of programs available on Inspiration TV.
- 4. Omission of Program or Announcement. Network shall have the right to omit at any time without notice to Purchaser (although Network shall endeavor to give reasonable notice) all, or any of, the Programs/Spots provided for hereunder if such omission is due to any force majeure, including mechanical or electronic failures or breakdowns, or if Network broadcasts in lieu of such omitted Program/Spot, in whole or in part, any special programming which Network, in its absolute discretion, deems to be of public importance on any sponsored, sustaining or other basis. In the event of interruption or cancellation, if Purchaser or Network cannot agree upon a satisfactory substitute day and time, the broadcast so preempted shall be deemed canceled without affecting the rates or rights provided by this Agreement, except that Purchaser shall not be obligated to pay the charges associated with the canceled broadcast time.

# 5. Payment.

- a. Prepay Accounts all prepay accounts are billed 30 days in advance; payment must be received prior to airing without exception.
- b. Except as otherwise agreed to in writing or a prepay account, Network shall invoice the Purchaser on a weekly basis. All invoices shall be due and payable upon receipt and Purchaser shall be deemed in breach of this Agreement if any amounts due remain unpaid more than thirty days after the invoice date. Any failure whatsoever by Purchaser to make timely payment of any charges under this Agreement or any other breach whatsoever by Purchaser shall give Network the right, in addition to any and all other rights, to cease performance of this Agreement. Network shall have the right, at any time, to increase its rates, but no such increases shall be applied to telecasts under this Agreement unless the Purchaser is advised of such increase and its effective date, and such increase is accepted by Purchaser. Upon reasonable belief by Network that Purchaser's credit has been impaired, Network shall have the right to change the terms of payment for any further broadcast under this Agreement.
- c. Inventory rates quoted by Network are fixed and cannot be increased, altered or otherwise modified by Agency at any time or for



any reason. Network shall have the right to periodically audit the records of Agency to ensure compliance with this provision.

- d. Notwithstanding to whom bills are issued, Advertiser/Programmer and Agency jointly and severally shall remain obligated to pay Network the amount of any invoices issued by Network within the time specified and until payment in full is received by Network. Payment by Advertiser/ Programmer to Agency shall not constitute payment to Network.
- e. In the event that Purchaser fails to pay Network in a timely manner, but in any event within thirty days of the date of invoice, Purchaser shall be charged, and agree to pay, compound interest on the unpaid balance at the rate of one and one-half percent (1 ½%) for each month or any part thereof, from and after the thirtieth day following the invoice date until such payment is made, but in no event shall such interest be greater than the maximum rate permitted by law. In the event that Network must institute collection proceedings for any past due amounts against Purchaser, Purchaser agrees to pay all costs of collection, including reasonable attorney's fees incurred in connection with collecting any amount due hereunder.

#### 6. Warranty and Indemnity.

- a. Purchaser shall defend indemnify and hold Network harmless from and against any and all claims, demands, debts, obligations or changes (including reasonable attorney's fees and disbursements) which arise out of or are related to or result from the broadcast preparation for broadcast or contemplated broadcast of any materials furnished by or on behalf of Purchaser or furnished by Network at Purchaser's request for use in connection with the Purchaser's material, including, but not limited to, any claims for invasion of privacy or defamation. Purchaser specifically warrants and represents that the broadcast of any Program/Spot furnished by Purchaser shall not violate in any way any rights of any person, firm or corporation. Additionally, Purchaser shall be responsible for bearing all royalty costs for material protected by copyright, trademark, service mark or similar laws, except musical composition licensed for broadcast by a musical licensing organization of which Network is a licensee.
- b. Network is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The primary exempt purpose of Network is to broadcast programs of a religious or other exempt purpose and Network, therefore, accepts only Programs for broadcast, which are substantially related to such exempt purpose. Accordingly, Purchaser warrants and represents that all Programs/Spots supplied to Network hereunder will be substantially related to Network's exempt purposes and that all Programs supplied to Network shall constitute programming for religious or other exempt purposes within the meaning of Section 501(c)(3) of the Code.

## 7. Termination.

- a. Network and/or the Purchaser may cancel this Agreement for any reason as follows: (i) upon twenty-eight (28) days prior written notice if Purchaser is a ministry programmer; (ii) upon five (5) days prior written notice if Purchaser is a humanitarian relief programmer; and (iii) upon twenty-four (24) hours prior written notice if Purchaser is an infomercial programmer. Continuation of the originally scheduled programming and payment for airtime in accordance with the contracted rate during the applicable notice period shall be required. If the Purchaser does not furnish Programs/Spots, as applicable, for the notification period, Network shall select such other programming as may be available from the Purchaser, and if no such programming is available, other programming that Network may select at its discretion. The Purchaser shall be invoiced in accordance with the contracted rates for the programming aired during the applicable notice period. Any notice or communication required or permitted under this Agreement shall be in writing and sent by United States mail, registered or certified, return receipt requested, postage prepaid, in each case addressed to the party to whom such notice is to be given at the addresses set forth hereunder, or at the most recent address specified by written notice given to the other party as provided in this
- b. Network may cancel this Agreement at any time and without further liability or obligation hereunder (1) upon material breach by Purchaser of the terms of this Agreement; (2) if Network fails to receive timely payment on billings; (3) if Purchaser's credit is, in Network's reasonable opinion, impaired, or (4) if submitted programming has repeated technical rejections. Upon such termination, all charges for

broadcasts completed hereunder and not paid for shall become immediately due and payable. If Network cancels pursuant to this subparagraph, Purchaser's only liability shall be to pay for broadcasts completed prior to termination by Network.

- c. In the event of a material breach by Network in performing its obligations hereunder, Purchaser reserves the right to cancel this Agreement at any time upon prior notice. No notice of termination made by Purchaser shall be effective until all sums and other obligations due Network are fully paid and performed.
- d. In addition, and without limitation to any other remedies or rights available to Network hereunder, Network shall be entitled to recover all costs and expenses, including reasonable attorney's fees, in enforcing its rights herein in the event of a breach by Agency.

# 8. General Conditions.

- a. Network's obligations hereunder are subject to the terms of all governmental licenses held by Network as well as all applicable national, state, and local laws.
- b. Failure of Network or Purchaser to enforce any of the provisions herein shall not be construed as a general relinquishment or waiver as to that or any other provision hereof. All remedies, rights, undertakings, obligations, and agreements contained herein shall be cumulative and none shall be in limitation of any other.
- c. Notwithstanding any other provisions of this Agreement, in no event shall Network be liable for special, indirect, incidental, or consequential damages suffered by Purchaser.
- d. This Agreement and all matters or issues collaterally related thereto shall be governed by the laws of the State of North Carolina applicable to agreements entered into and to be performed in that state. Purchaser hereby consents to the jurisdiction of the state of North Carolina, County of Mecklenburg with respect to any action arising out of or relating to this Agreement and agrees that venue in any such court shall be proper.
- e. Neither party may assign this Agreement without the other party's prior written consent, which shall not be unreasonably withheld. Notwithstanding the forgoing sentence, Network may assign or otherwise transfer this Agreement or any of its rights hereunder, without Purchaser's prior knowledge or consent, to any subsidiary or affiliated entity of Network, or its successor in any consolidation or merger, or any other person or entity which acquires all or substantially all of the assets, equity or beneficial interests of Network. To the extent this Agreement is properly assigned or transferred in accordance with the terms herein, it shall be binding upon each successor, assign and/or transferee.
- f. This Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall not be supplemented, amended, or modified except by a written instrument executed on behalf of the parties by such parties or their duly authorized representatives.
- g. Any provision of this Agreement, which is invalid, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such invalidity, prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- h. The time set forth herein for all broadcasts under this Agreement are approximate only. Except as otherwise specifically provided for herein, the time and length of any broadcast hereunder shall be as determined by Network.
- i. Network scrutinizes all contracts and amendments for accuracy prior to mailing. Upon receipt of Network agreements by Purchaser, it is Purchaser's responsibility to notify Network of any discrepancies. If Network receives no such notice from Purchaser within seven days from the issuance of Agreement or Amendment, the Agreement or Amendment shall be considered correct, and Purchaser shall be held responsible for payment pursuant to the terms hereof. Purchaser's failure to initial below shall not adversely affect the enforceability of these General Terms.