

NORTH AMERICAN SATELLITE CORPORATION (“NASCorp”)

**ANCILLARY AGREEMENT TO RESTRICT THE SALE AND TRANSFER OF
STOCK,
LIMIT CORPORATE DEBT AND LIMIT EMPLOYEE’S SALARIES AND
EXPENSES.**

THIS AGREEMENT, made and entered into this _____ day of _____, 2005, by and among North American Satellite Corporation (“NASCorp”), a Tennessee Corporation (hereinafter referred to as the “Corporation”) and (Check appropriate box and complete line following box):

(Corporate name) _____, a (state of) _____ Corporation,
(Your name) _____, an individual,
(Your name) _____ and / or,
(Spouse/Partner) _____, as Joint Tenants with Right of Survivorship,

(hereinafter referred to as a “Stockholder(s)”).

WITNESSETH:

WHEREAS, the Corporation has determined that it is in its best interests to provide for continuity of ownership and management in the event of the death, retirement, permanent disability or business dissolution (as defined herein) of the Parties to this Agreement. Furthermore, the Corporation has determined that it is in its best interest to provide for an ordered transfer of its stock by and among its Stockholders, and

WHEREAS, the Parties to this Agreement recognize that the Corporation does hold Treasury Stock (“Treasury Stock”) to be sold in accordance to and subject to all terms, conditions, restrictions and requirements of a “Master Agreement to Restrict the Sale and Transfer of Stock, Limit Corporate Debt and Limit Employee Salary and Expenses” (“Master Agreement”), dated the 16th day of September, 2002. Furthermore, the Parties to this Ancillary Agreement (“Agreement”), and those who shall at any time agree to be subject to the Master Agreement and this Agreement by their execution of this Agreement, hereby agree to promote their mutual interest and the interest of the Corporation by imposing certain restrictions and obligations on themselves, the Corporation, and the shares of stock of the Corporation through these instruments, and

WHEREAS, this Agreement shall not replace or offset this Corporation’s originally filed Charter or By-Laws but will augment its By-Laws and Charters.

NOW THEREFORE, in consideration of the premises and of the mutual promises, covenants and conditions hereinafter set forth, it is mutually agreed by and between the parties, as follows:

ARTICLE I **RESTRICTION**

A. No Stockholder shall, during his, her or its lifetime, voluntarily transfer, encumber (other than as may be required to secure financing for the Corporation in a manner prescribed by resolution of the Board of Directors of the Corporation) or dispose of any portion or all of his, her or its stock interest in the Corporation, beyond the minimum stock share holdings and percentage of ownership of the Corporation as specified in Article XV of this Agreement, except as may be provided for in this Agreement and according to the terms set out in this Agreement and the Master Agreement.

B. The Corporation shall not issue, sell, transfer, encumber or dispose of any portion of its capital stock, except as may be provided for in this Agreement and according to the terms set out in this Agreement and the Master Agreement.

C. The Stockholders hereof agree that they and all other investor(s) who purchase Treasury Stock of the Corporation will be required to execute this Agreement.

ARTICLE II **GIFT OR INHERITANCE**

Any Stockholder to this Agreement may transfer all or part of his, her or its Corporation stock ("Transferor") by gift to any other person, including but limited to, his or her lineal heirs, or in trust for the benefit of himself or herself or to any other entity ("Transferee") upon the following terms and conditions, which are:

- i) Any receiving Transferee must execute NASCorp's Ancillary Stockholder Agreement, which subjects the Transferor's stock to the terms and conditions of the NASCorp Master Agreement To Restrict The Sale And Transfer Of Stock, Limit Corporate Debt And limit Employee Salary and Expenses, as executed by the incorporator on September 16, 2002. Any Transferee must have one (1) original signed copy of the Ancillary Agreement on file with the Corporation.
- ii) Any Transferee must agree to have an endorsement placed upon the share certificate by the Corporation, which subjects transferred shares to the terms and conditions of the NASCorp Master Agreement To Restrict The Sale And Transfer Of Stock, Limit Corporate Debt And Limit Employee Salary And Expenses as executed by the incorporators on September 16, 2002.
- iii) The Transferor at the time of transfer of his, her or its Common Stock in the Corporation to the Transferee shall endorse his, her or its stock share certificate(s), which are to be transferred over to the Transferee, and shall physically deliver said transferred shares to the Secretary of the Corporation by registered United States mail or by other proof of delivery, if not by United States mail, to:

**North American Satellite Corporation
Secretary of The Corporation
P.O. Box 1778
Goodlettsville, Tennessee 37070-1778**

Wherein, the Secretary of the Corporation shall record receipt of the surrendered certificates from the Transferor and shall reissue replacement share certificates to the receiving Transferee once the Transferee has met the terms and conditions set out herein and in the "NASCorp Master Agreement To Restrict The Sale And Transfer Of Stock, Limit Corporate Debt And Limit Employee Salary And Expenses".

ARTICLE III
STOCKHOLDER OPTION

In the event a stock transfer or sale as described in ARTICLE II of this Agreement should occur, then the price per share of the Corporation's Common Stock shall be per market value as agreed to between the selling Stockholder and Buyer(s).

Should an agreement be reached between the Corporation and the stockholder whereby the stockholder desires to sell to the Corporation his, her or its Common Stock in the Corporation, and the Corporation's Board of Directors elects to purchase said Common Stock from the Stockholder, then such sale and transfer of Common Stock shall be based on the lesser purchase price as determined by:

- (1) The then existing market price as recorded by the Corporation for the immediate prior sale or transfer of its Common Stock.
- (2) A formula whereby the lowest industry EBIT-DA (Earnings Before Interest, Taxes, Depreciation and Amortization) purchases price multiple of a current sale (within one (1) year if available and, if not available, the last sale of a communications entity (15 X EBIT-DA as of this Agreement's date)) is multiplied by the Corporation's most recently completed and trailing four fiscal financial quarters EBIT-DA. The resulting sum of this method shall then be adjusted by deducting all of the Corporation's obligation, current, long-term, and otherwise, and then adding back all current assets (i.e. cash, Accounts Receivable, inventory, etc.). Such ending sum shall then be divided by all outstanding shares of the Corporation to determine the Common Stock price per share.

ARTICLE IV
PRICING

In the event that a stock transfer or sale as described in Article III of this Agreement should occur, then the price per share of the Corporation's Common Stock shall be the then existing market price as recorded by the Corporation for the immediate prior sale or transfer of its Common Stock and shall be based on the greater purchase price as determined by:

- 1) The then existing market price as recorded by the Corporation for the immediate prior sale or transfer of its' Common Stock.

- 2) A formula whereby an average of the industries' EBIT-DA (Earnings Before Interest, Taxes, Depreciation and Amortization) purchase price multiple for current sales (within one year if available and, if not available, the last sale of an acceptable broadcast industry service entity {11.0 x EBIT-DA as of this Agreement's date}) is multiplied to the Corporation's most recently completed and trailing four fiscal financial quarters EBIT-DA. The resulting sum of this method shall then be adjusted by deducting all of the Corporation's obligations, current, long-term, and otherwise, and then adding back all current assets (i.e.; cash, Account Receivables, inventory, and etc.) and real estate or stock holdings. Such ending sum shall then be divided by all of the outstanding shares of the Corporation to determine Common Stock price per share.

ARTICLE V
RESTRICTION ON CORPORATE DEBT, SALARIES AND OFFICERS'
EXPENSES

A. Each Stockholder agrees that Corporation debt shall be limited and restricted in accordance with the terms set forth in Schedule "A" attached to the Master Agreement and

made a part thereof by reference; the same as though set out at length herein. Each Stockholder herein does hereby agree to accept and adopt Schedule "A".

B. Each Stockholder agrees that employee salaries, and increases therein, and employee travel, living and entertainment expenses shall be limited, governed and determined by and in accordance with Schedule "B" attached to the Master Agreement and made a part thereof by reference; the same as though set out at length herein. Each Stockholder agrees to accept and adopt Schedule "B".

ARTICLE VI
TERMINATION

This Agreement and all restriction on stock transfers created hereby shall terminate on the occurrence of any of the following events:

- (a) The bankruptcy, dissolution or appointment of a Receiver of the Corporation;
- (b) A single Stockholder becoming the owner of all shares of the Corporation, which are then subject to this Agreement;
- (c) The death and/or dissolution of all Stockholders within a period of thirty (30) days of each other; and
- (d) The execution of a written instrument by the Corporation and all of the Stockholders who then own shares subject to this Agreement, which terminates the same.

ARTICLE VII
JURISDICTION

This Agreement shall be governed by the laws of the State of Tennessee.

ARTICLE VIII
ENDORSEMENT

Upon the execution of this agreement the certificates of stock subject hereto shall be endorsed as follows:

“This certificate is held subject to the terms of an Agreement, dated the 16th day of September, 2002, a copy of which is on file in the principal office of the Corporation in Goodlettsville, Tennessee.”

ARTICLE IX
AMENDMENTS AND ALTERATIONS

This Agreement may be altered, amended or terminated by a vote of Seventy-Five Percent (75.0%) or more of all outstanding shares of the Stockholders of the Corporation.

ARTICLE X
NOTICES

All notices provided for by this Agreement shall be made in writing (1) either by actual delivery of the notice into the hands of the parties entitled thereto, or (2) by the mailing of the notice in the United States Mail to the last known address of the party entitled thereto, certified mail, return receipt requested. The notice shall be deemed to be received in case (1) on the date of its actual receipt by the party entitled thereto, and in case (2) on the date of its mailing.

ARTICLE XI
BINDINGS

This Agreement shall be binding upon the parties, hereof, their heirs, legal representatives, successors and assigns.

ARTICLE XII
PERFORMANCE

Each of the parties hereto shall be entitled to specific performance of this Agreement upon compliance with all its terms, covenants and conditions.

ARTICLE XIII
AUTHORIZATION

The Corporation is authorized to enter into this agreement by virtue of resolutions adopted at a meeting of the Incorporators and Directors held on the 16th of September, 2002, and by the execution of this Agreement all prior agreements, by and between the parties hereto pertaining to the restriction and ownership of their stock in the Corporation of NASCorp shall be deemed cancelled, rescinded, void and held for naught, excepting for any condition, requirement or statement as contained or made a part of the officially filed and registered By-Laws and Charter of this Corporation.

ARTICLE XIV
DIRECTOR APPOINTMENT

The Corporation hereby appoints the following individuals to its Board of Directors:

A) OFFICERS (Permanent):

R. L. (Rick) Humphrey -----Chairman of the Board
(Open) ----- President
Dwayne McKinney----- Vice-President

B) OFFICERS (ELECTED STOCKHOLDERS):

Danny Leverette----- Secretary
Joe Crocitto-----Treasurer
Steve R. Adair-----Director
Charles Hutchins-----Director
Richard Holmes-----Director
Dennis Moreno-----Director
Bob Shannon----- Director

C) ADVISORY COUNSEL - STOCKHOLDERS:

(Open)----- Director
(Open)----- Director

Each Stockholder to this Agreement recognizes the Corporation's appointment of all of the above individuals, and their respective position to the Board of Directors of the Corporation and agree said appointment shall remain in effect either with the terms of this Agreement or until so changed by a shareholder vote of a quorum vote of the outstanding shares of common stock held by stockholders of this Corporation as provided for in this Corporation's By-Laws at any Annual or specially called Stockholder meeting(s), or resignation of the appointed Board member.

ARTICLE XV
CHIEF EXECUTIVE & OTHER OFFICER APPOINTMENTS

Each Stockholder recognizes and accepts the appointments of R. L. (Rick) Humphrey, as Chief Executive Officer of the Corporation, and Dwayne McKinney, as Vice-President of the Corporation, and all terms, conditions and specifications as outlined in the Employment Agreements of same as made a part of the Master Agreement through Schedule C thereof.

ARTICLE XVI
CORPORATE STATUS

The Stockholders hereof recognize and accept the Corporation's registered status as a C-Corporation and hereby acknowledge and accept all implications, tax liability(s) or any other condition(s) or requirement(s) as made a part of such Corporate status or which may in the future be made a part of such Corporate status. Furthermore, the Stockholders will not, for any reason or purpose whatsoever, contest, cause to be contested or otherwise interfere in any way with the Corporation's C-Corp Status.

ARTICLE XVII
CAPITAL EXPENDITURES

It is hereby agreed that the appointed management of the Corporation shall have jurisdiction over all capital expenditures and day-to-day operating costs excepting the acquisition of any existing ongoing business(es). In such instances, where the Corporation may acquire an ongoing business operation, such act shall first require a stock vote of Seventy-Five Percent (75.0%) of all outstanding shares of the Corporation for said acquisition to be concluded. Corporate management shall be responsible for providing appropriate and adequate due diligence review and historical data, to the Stockholders made a party to this Agreement and to the Board of Directors of the Corporation.

ARTICLE XVIII
PREVIOUS AGREEMENTS

This Agreement shall supersede all previous Stock Transfer or Stock Retirement Agreements by and between the Corporation, or any of its predecessor Corporations, and any of its Stockholders except for any condition, requirement or statement as contained or made a part of the officially filed and registered By-Laws and Charter of the Corporation the Master Agreement as referenced herein. **(Note: This paragraph does not include or affect a stockholder to NASCorp prior agreement(s) with America's Family Entertainment, Inc. ("AFE") nor does it alter in any way AFE's agreement(s) to NASCorp stockholders).**

ARTICLE XIX
DIRECTOR INDEMNIFICATION

In the event of breach of this Agreement, the breaching party shall pay to any non-breaching party his, her or its' reasonable attorney's fees and costs and shall protect, defend and hold harmless the other Stockholders or Directors of the Corporation from any and all claims, actions, damages, liabilities and expenses in connection with damages incurred by any unauthorized act or conduct of such breaching party. A Director/ Stockholder guilty of negligence or wrongdoing shall reimburse the Corporation for damages sustained by the Corporation, shall pay the Corporation's or other Director's or Parties' of the Corporation reasonable attorney fees and costs and shall protect, defend and hold harmless the Corporation, Stockholder(s) or Director(s) from any and all claims, actions, damages, liabilities and expenses in connection with damages incurred by the offending Director/Stockholder's negligence or wrongdoing.

IN WITNESS WHEREOF, the parties hereto have executed this Original Agreement Number One or Two of Two on the day and year first-above written.

**NORTH AMERICAN SATELLITE
CORPORATION ("NASCorp")**

STOCKHOLDER(S):

R. L. (RICHARD) HUMPHREY,
Chairman of the Board

(Corporation Name - if Applicable)

(FIN)

X _____
(Sign) (Title if Applicable)

(Print)

SS# _____ - _____ - _____

ATTEST:

X _____
(Sign-Spouse/ Partner (If Applicable))

DANNY M. LEVERETTE,
Secretary

(Print)

SS# _____ - _____ - _____

(Street)

(City, State, Zip)

(Phone No.)