

**Separation Agreement Between
Three Angels Broadcasting Network, Inc.**

and

Linda Shelton

Three Angels Broadcasting Network, Inc. ("Three Angels") and Linda Shelton ("Mrs. Shelton"), hereby agree to the following terms and conditions:

1. Three Angels agrees to pay Linda Shelton, within seven days of the signing of this document by both parties, the sum of \$45,000. Three Angels agrees to transfer to Linda the rights, including the masters, to the five musical CD projects that she has had a primary role in (two solo projects and three duet projects with Danny and Linda) and the eight musical songs on video from the *I Think About Grace* album.
2. Three Angels agrees to pay Linda Shelton, within seven days of the signing of this agreement by both parties, a further sum of \$45,000.
3. Three Angels also agrees to pay Linda Shelton \$75,000 for each of the years 2005 and 2006. This money will be paid out in 24 equal installments (\$6,250.00) beginning the first Monday of January, 2005, and continuing to be paid on the first Monday of each month for the next 23 months, ending with the payment on the first Monday of December 2006. These payments shall continue to be made only insofar as Mrs. Shelton complies with the conditions specified below.
4. All the above payment amounts represent gross severance pay and settlement figures, and the actual amount given to Mrs. Shelton will be reduced by the amount that employers are required to withhold by law for state and federal income taxes and other mandatory withholdings.

5. Linda Shelton agrees that, in consideration for the \$90,000 which she will receive in seven days from the time that both parties sign this agreement, she will not bring any lawsuit, legal action, or other claim against Three Angels Broadcasting Network, any of its officers or directors, or any of its employees, in any court, forum, tribunal or proceeding for damages, whether compensatory or punitive, compensation, or other relief.

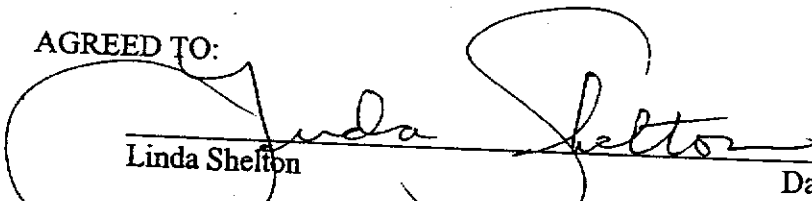
6. Linda Shelton agrees that, in consideration for the \$90,000 and for the monthly payments that will commence in January 2005, that she will not make public statements critical of Three Angels, the board of directors, or any of its officers or employees. Public statements include those made on the air, whether via radio or television, in print, whether in newspapers, magazines, books or other printed sources, or circulated on the internet in the form of e-mail or web-postings, or made at churches or other public meeting sites. She also agrees that she will not make statements in private for her friends, agents, or third parties to attribute to her in a public manner as described above. If her friends, agents or other third parties make public statements critical of Three Angels, Mrs. Shelton shall immediately, upon notification by Three Angels, cooperate with Three Angels and request in writing and by telephone, if reasonably possible, that public statements made by third parties discontinue. If she does not so cooperate, any such public statements by third parties will be considered to be those of Mrs. Shelton, will be viewed as violation of this section, and will result in the termination of the payments to her described in Section 3.

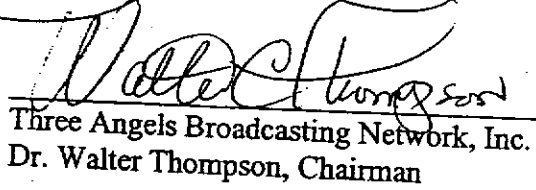
7. Any dispute that arises out of this contract or the relationship between Mrs. Shelton and Three Angels or any of its officers and directors, whether during the period of payment to Mrs. Shelton or afterwards, concerning its terms, application, or whether its standards have been met by the parties, shall be resolved through Christian arbitration, and shall not be taken up in

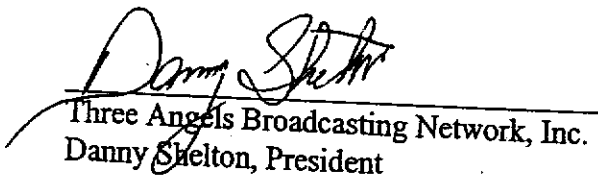
any court system, whether judicial or administrative. Both parties hereby waive any legal recourse, and agree that they will submit to binding arbitration, with no appeal, by a panel of three Seventh-day Adventist Christians. This panel will be chosen in the following manner: Each side shall choose one Adventist Elder or Pastor in the North American Division. Those two persons shall then choose one other person that they can mutually agree on to chair the panel to arbitrate the dispute. The panel will hear testimony from both sides, consider any necessary evidence, and render a written decision that will be binding on the parties, with no further appeal allowed.

8. Nothing in the above shall prevent Mrs. Shelton from seeking a fair and equitable split of her marital property, which shall not include any property owned by Three Angels Broadcasting Network, in or out of court, in any separation or divorce proceeding. Any moneys received by Mrs. Shelton under this agreement shall be considered her separate and personal property, and not marital property.

AGREED TO:


Linda Shelton _____ Date June 4, 2004


Three Angels Broadcasting Network, Inc. _____ Date June 9, 04
Dr. Walter Thompson, Chairman


Three Angels Broadcasting Network, Inc. _____ Date 6-04-04
Danny Shelton, President