

TIME BROKERAGE AGREEMENT

This **TIME BROKERAGE AGREEMENT** (“Agreement”) is made as of December 31, 2020 by and between Hembree Communications, Inc. (hereinafter called the “Licensee”) and Diamond Shores Broadcasting, LLC (“Broker”).

RECITALS:

A. Licensee is the licensee of broadcast Station, WKLO, Hardinsburg, IN (FCC Facility ID No. 88536) (the “**Station**”), pursuant to certain licenses, authorizations and permits (the “**FCC Licenses**”) issued to Licensee by the Federal Communications Commission (the “**FCC**”).

B. Licensee’s operations are subject to the Communications Act of 1934, as amended, and the published rules, regulations and policies of the FCC (collectively, the “**Communications Law**”).

C. Broker desires to purchase time on the Station for the broadcast of programming on the Station (the “**Programs**”) and for the sale of advertising time included in the Programs.

D. Implementation of this Agreement will serve the interests of the listening public by facilitating the provision to the residents of the Station’ service areas of a diverse source of programming.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises set forth herein, Licensee and Broker hereby agree as follows:

1. **Time Sale.** Commencing on or about January 1, 2021, or such other date as the parties may agree in writing (the “**Commencement Date**”), Licensee shall sell to Broker and Broker shall purchase from Licensee up to one hundred sixty-seven (167) hours per week on each Station, on the terms set forth in this Agreement. Licensee shall broadcast the Programs

(including commercial announcements) supplied by Broker without interruption, deletion or addition of any kind, subject to Licensee's obligations under applicable Communications Law.

2. **Term.** The term of this Agreement (the "**Term**") shall be five (5) years beginning on January 1, 2021. Provided this Agreement is still in effect without default by the Broker, Broker shall have the right, at Broker's sole option, to extend the term of this Agreement for two (2) additional periods of five (5) years (each an "Extension Term"). Such extension option shall be exercised by Broker giving written notice of the exercise of such extension term to Licensee no later than one hundred eighty (180) days prior to the expiration date of the then current term.

3. **Hours of Programming.** Subject to the exceptions set forth in Sections 4 and 5 below, Broker shall supply, and Licensee shall transmit, programming for all periods of the Station's broadcast operations, as long as this Agreement remains in force. Broker shall provide all such Programs, produced at its own cost and expense, and shall be responsible for the cost of delivering such Programs to Licensee's main studio.

4. **Reservation of Time.** Licensee specifically reserves for its own use up to one hour per week of programming time (the "**Reserved Time**") during which it may broadcast programming of its choice. The Reserved Time shall be at a mutually agreeable time between the hours of 7:00 a.m. to 9:00 a.m. Sunday, or, failing agreement, between 8 am and 9 am Sunday. To the extent that Licensee uses all or part of the Reserved Time to broadcast a locally produced program, and Licensee requires assistance for the production or airing of such program that Licensee's own employees cannot conveniently give, Licensee may require Broker to have one of Broker's employees supply such assistance, without charge to Licensee, provided that Licensee does not sell commercial time within Licensee's Reserved Time. Additionally, the

Licensee shall have up to one minute of advertising per day for its sole purpose between 6:00 a.m. and 6:00 p.m.

5. ***Licensee's Programming Discretion.*** Nothing herein shall be construed as limiting in any way Licensee's rights and obligations as the licensee of the Station to make the ultimate programming decisions for the Station. Licensee shall be responsible for ensuring that the programming broadcast during Licensee's Reserved Time, as well as the Station's overall programming (including Broker's Programs), are responsive to community needs and in the public interest. Licensee has the authority, in its sole discretion, to reject and refuse to transmit any Program produced or proposed by Broker that Licensee in good faith deems to be contrary to the public interest. Licensee shall notify Broker, unless such notice is impractical or impossible, at least one week in advance of any such preemption of Broker's Programs for the purpose of broadcasting the program(s) that Licensee deems necessary to serve the public interest. Broker may not change the programming format of the Station without the advance approval of Licensee, which approval shall not be unreasonably withheld.

6. ***Compensation.***

a. ***Reimbursement of Operating Expenses.*** Broker shall reimburse Licensee for its reasonable expenses directly related to the operation of the Station. Broker shall have no obligation to reimburse Licensee for the time of Licensee's owner, or for Licensee's legal fees or for Licensee's income taxes. Such compensation shall be paid to Licensee by cash, wire transfer or check deposited into Licensee's account as designated by notice to Broker, no later than the tenth calendar day following Licensee's presentation of an invoice for such reimbursement detailing the expenses incurred, and Licensee may require that any payroll amounts to be reimbursed by Broker shall be paid to Licensee no less than two days in advance of the subject payroll date.

b. *Monthly Brokerage Fee.* During this Agreement, Broker shall pay Licensee in advance, monthly, the sum of [REDACTED] Dollars (\$[REDACTED]) per month as a fee (the "**Brokerage Fee**") for the use of the Station's facilities (over and above the amount of reimbursement described above). This Brokerage Fee shall be paid to Licensee on or before the first business day of each succeeding month. Notwithstanding payment of the Brokerage Fee, Broker shall have no rights to airtime on the Station unless Broker is also current with its required reimbursement of Expenses hereunder. The monthly brokerage fee shall increase by five (5% percent) for each subsequent term extension. Therefore, the monthly brokerage fee during the second term will be [REDACTED] Dollars (\$[REDACTED]) and monthly brokerage fee for the third term will be [REDACTED] Dollars (\$[REDACTED]).

7. *Expenses.* Broker shall be responsible for all direct and indirect costs of the production and delivery of Broker's Programs, including but not limited to: (i) power and utilities at any facility of Broker where programming is produced; (ii) insurance costs related to equipment and assets owned by Broker used in its business operations; (iii) costs related to the maintenance of any studio and equipment necessary for the production and delivery of Broker's Program; (iv) salaries, payroll, taxes, insurance and related costs of all personnel employed by Broker in connection with production and delivery of the Programs, promotion of that programming, and the sale of advertising within the Programs; (v) income, gross receipts, sales, real property, personal property, excise, or any other taxes of any nature whatsoever related to Broker's ownership of its own assets or the Programs; and (vi) fees for audience surveys, marketing reports, program consultants and the like.

8. ***Main Studio Space.*** For the duration of the Agreement, the Licensee's offices shall be housed in the building at the transmitter site owned by Licensee, so as to allow Licensee to conduct the operations of the Station pursuant to the Station' licensed authority.

9. ***Representations, Warranties and Covenants of Broker.*** Broker represents and warrants to Licensee, and covenants with Licensee, that:

a. Broker has the legal right, power and authority to enter into this Agreement and to perform its obligations hereunder fully, and Broker's performance hereunder does not and shall not, with the passage of time or provision of notice (or both), violate the terms of any other agreements by which it is bound or to which it is a party.

b. The Programs shall comply with Communications Laws and with all programming standards established by Licensee, including those set forth in Attachment 1 hereto and those of which Licensee shall notify Broker hereafter, in its programming and operations with respect to the Station. Broker agrees that if, in the sole judgment of Licensee or its general manager, Broker does not comply with said standards, Licensee may suspend or cancel any program deemed by Licensee not to be in compliance. The Programs shall also meet applicable industry standards for technical quality.

c. The performing rights to all music contained in the Programs shall be either (1) licensed by BMI, ASCAP or SESAC (to the extent that Licensee maintains license agreements with those organizations), (2) cleared by Broker or Broker's agent at the source, or (3) in the public domain.

d. Broker shall cooperate with Licensee in making time available in Programs for the Station' identification announcements required by Communications Law.

e. Broker shall not cause or permit the creation of any material liens, encumbrances, foreclosures, contractual defaults or outstanding balance of any kind or nature that would impede or impair Broker's ability to meet its obligations under this Agreement.

f. Broker shall promptly pay any and all expenses or obligations of any kind or nature relating to the provisions of the Programs within a commercially reasonable time after the date such expenses become due.

g. Broker shall provide to Licensee monthly documentation of the Programs it has broadcast which address the problems, needs and interests of the Station' community of license and secondary service area, with particular attention to those community issues which Licensee has identified as significant. It shall be Licensee's obligation to ascertain the interests and needs of the community of Hardinsburg and of the Station' secondary service areas, and Licensee shall decide what programs best respond to that ascertainment. In consultation with Licensee, Broker shall, as part of the Programs, provide local news and other programming that is relevant to the Station' community and service areas and of sufficient quality to assist Licensee in satisfying its obligations to respond to the needs of the community and service areas.

h. Broker shall forward to Licensee, within seventy-two hours of receipt by Broker, any letter from a member of the general public addressing the Station or its programming, or other documentation which comes into Broker's custody which is required to be included in the Station' public inspection files or which would reasonably be deemed of importance to Licensee.

10. ***Representations, Warranties, and Covenants of Licensee.*** Licensee represents and warrants to, and covenants with, Broker that:

- a. The Recitals set forth above are true and accurate. Licensee has the legal right, power and authority to enter into this Agreement and to perform Licensee's obligations hereunder fully. Licensee's performance hereunder does not and shall not violate the terms of any agreement by which it is bound or to which it is a party.
- b. Licensee shall operate the Station in compliance with the Federal Communications Act of 1934 and all current rules, laws and guidance of the FCC.
- c. Licensee shall maintain the transmission facilities and equipment of the Station in a condition consistent with good engineering practice and in compliance with the rules, regulations and technical standards of the FCC. In the event that Licensee fails to direct the timely performance of repairs and capital improvements at the expense of Licensee to the Station' transmission facilities as required by the Station to continue its transmissions in accordance with the Station' licensed parameters, Broker shall have the right to make such repairs or capital improvements in order to preserve service to the public while notifying Licensee of any such activity in advance and upon completion thereof.
- d. Licensee shall retain, on a full-time basis, one or more employees who shall handle management of the day-to-day operations of the Station. The Station shall also have a Chief Operator (as defined by the FCC's rules), who shall be the same person as the Station' General Manager unless otherwise agreed between the parties, and who may be an employee of the Broker or the Licensee.
- e. Licensee shall maintain appropriate public inspection files.
- f. Licensee shall maintain appropriate liability, fire, general liability and extended coverage insurance in amounts reasonably required to protect the parties hereto from losses from liability for personal injury, libel and other matters typically covered by insurance

written for broadcast Station, as well as from loss by theft, fire, and other causes to Licensee's equipment.

g. Licensee acknowledges and agrees that all rights, title and interest in and to any of Broker's programming, including the right to authorize the use of Broker's programming in any manner and in any media, and all revenue from the sale of commercial time within such programming, shall remain vested at all times solely in Broker.

11. **Political Time.** At least ninety days before the start of any primary or general election campaign, Broker shall clear with Licensee the rates to be charged political candidates for public office to be sure that the rate is in conformance with applicable law and policy. Broker shall provide Licensee with access to all its books and records regarding the pricing of advertising sold on the Station in order to confirm that the political rates correctly afford political candidates the lowest unit rates of the Station for each class of time. Broker shall cooperate with Licensee in the preparation of the political disclosure statements for the Station, but Licensee shall have ultimate control over the contents of the political disclosure statements. Within twenty-four hours of any request to purchase time on the Station on behalf of a candidate for public office or to support or urge defeat of an issue on an election ballot, Broker shall report the request and its disposition to Licensee so that appropriate records can be placed in the Station public files. If Broker fails to provide adequate broadcast time for the broadcast of programming or advertising by political candidates, particularly including candidates for federal elective office, Licensee shall have the right to preempt Broker's Programs to make time available to these political candidates.

12. **Indemnification.**

a. By Broker. Broker will indemnify and hold and save Licensee harmless against all liability for libel, slander, illegal competition or trade practice, infringement of trade marks, trade names, or program titles, violation of rights or privacy, infringement of copyrights and proprietary rights, FCC forfeitures, and from any liability (including reasonable legal fees and other expenses incidental thereto) resulting from the Programs. Further, Broker warrants that the broadcast of the Programs will not violate any rights of others, and Broker agrees to hold Licensee and the Station, and their respective agents, employees and assigns, harmless from any and all claims, damages, liability, costs and expenses, including reasonable counsel fees (in preparation for litigation, through trial and on appeal), arising directly or indirectly from the production or broadcast of the Programs. Licensee reserves the right to refuse to broadcast any Program containing matter which is (or in the reasonable opinion of the Licensee may be, or which a third party claims to be) violative of any right of Licensee or of a third party, or which may constitute a personal attack as the term is defined by the FCC. Broker's obligation to hold Licensee harmless against the liabilities specified above shall survive any termination of this Agreement.

b. By Licensee. Licensee shall indemnify and hold and save Broker harmless 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 ownership and operations of the Station and out of Licensee's broadcasts of Licensee's programs during the term of this Agreement to the extent permitted by law.

c. Notice. As condition precedents to the indemnity obligation of any party hereto, (i) the party requesting indemnification ("Indemnitee") shall give the other party

(“Indemnitor”) notice of any such claim for indemnity within ten days after Indemnitee has knowledge of notice thereof, and (ii) 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.

d. Survival. The obligations of the parties set forth in this Section shall survive the termination of this Agreement and continue to be binding obligations upon the parties through the period of the statute of limitations on any claim asserted.

13. ***Ancillary Broadcast Rights.***

a. In the event Licensee obtains any digital or other ancillary broadcasting rights as a result of its ownership of the Station, Broker may be entitled (at an additional charge to be negotiated at that time) to take advantage of all revenue potential and technical improvements associated with such rights.

14. ***Conditions to Commencement by Broker.***

The obligations of Broker hereunder are, at its option, subject to satisfaction, at or prior to the Commencement Date, of each of the following conditions.

14.1 ***Representation, Warranties and Covenants.*** The representations, warranties and covenants of Licensee made in this Agreement shall be true and correct in all respects as of the Commencement Date, and the covenants and agreements to be complied with and performed by Licensee at or prior to the Commencement Date shall have been complied with and performed in all respects.

14.2 ***Primary Broadcast Licenses.*** The primary FCC broadcast license of the Station shall contain no adverse modifications of the terms of such authorizations as they exist as of the date of this Agreement.

14.3 ***Restraining Orders.*** No order or temporary, preliminary or permanent injunction or restraining order shall have been entered by any governmental authority, court, commission or agency which prohibits or materially restrains the transactions contemplated by this Agreement.

15. ***Conditions to Commencement by Licensee.***

The obligations of Licensee hereunder are, at its option, subject to satisfaction, at or prior to the Commencement Date, of each of the following conditions.

15.1 ***Representation, Warranties and Covenants.*** The representations, warranties and covenants of Broker made in this Agreement shall be true and correct in all respects as of the Commencement Date, and the covenants and agreements to be complied with and performed by Broker at or prior to the Commencement Date shall have been complied with and performed in all respects

15.2 ***Restraining Orders.*** No order or temporary, preliminary or permanent injunction, restraining order or stay pending appeal shall have been entered by any governmental authority, court, commission or agency which prohibits or materially restrains the transactions contemplated by this Agreement.

16. ***Early Termination; Effect of Termination.***

a. The term of this Agreement is subject to the limitations that:

i. Either party may terminate this Agreement, provided such party is not then in default of any of its material obligations hereunder, if the other party is in default of any of its material obligations hereunder and has not cured such default within thirty calendar days after receipt of written notice of default from the terminating party.

ii. This Agreement shall terminate automatically if this Agreement is declared invalid or illegal in whole by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction, whether or not such order or decree has become final and no longer subject to further administrative or judicial review; provided, however, that if such order or decree only invalidates part of this Agreement, the parties shall cooperate in amending this Agreement so that the offending part may be stricken or revised, if possible, so as to comply with applicable law and to provide to each of the parties the essential benefits contemplated hereby. If good faith cooperation between the parties for a period of sixty days does not lead to satisfactory resolution of the noted invalidity or illegality, either party may thereafter give notice of termination hereof.

iii. This Agreement shall terminate automatically upon the closing of the sale of the Station Assets or one hundred percent (100%) of outstanding stock in Licensee to Broker.

b. In the event of termination hereunder, Licensee shall be under no further obligation to make available to Broker any further broadcast time or broadcast transmission facilities, and Broker shall have no further obligation to make any payments to Licensee hereunder except for any reimbursement payments then due but not yet paid. All unperformed agreements and contracts for advertising to be aired during Broker's Programs shall be assumed by Licensee or by the successor programmer/broker under any subsequent Local Marketing Agreement, Joint Sales Agreement or Time Brokerage Agreement. Broker shall be entitled to all uncollected revenue for advertising already broadcast over the Station from the Commencement Date hereof through the date of such termination, and Licensee shall pay over to Broker at least



monthly (within five business days of the close of each calendar month following termination) any sums received in respect of same; except that if termination shall have been the result of a breach hereof by Broker, Licensee shall have a right of offset against collections on such receivables.

17. **Regulatory Requirements.** Notwithstanding anything to the contrary set forth in this Agreement, Licensee shall be solely responsible for the management, operation and regulatory compliance of the Station, and Broker shall not exercise any ultimate control over the day-to-day operations of the Station.

18. **Payola/Plugola.** Neither Broker nor its agents, employees, consultants or personnel shall accept any consideration, compensation, gift or gratuity of any kind whatsoever, regardless of its value or form, including but not limited to, a commission, discount, bonus, material, supplies, or other merchandise, services, or labor (collectively "Consideration"), whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the payer is identified in the program for which Consideration was provided as having paid for or furnished such Consideration, in accordance with Communications Law.

19. **Right of First Refusal.** Under existing Commission ownership rules, Broker shall have the right of first refusal to purchase Station in its own name or by its designee if Licensee elects to sell the Station and an offer is received which Licensee wishes to accept. This right of first refusal operates as follows: if Licensee receives a written offer which it wishes to accept, it shall give written notice to Broker of such intent to sell specifying all of the terms and conditions of the offer and accompanying said notice with a copy of the offer. Following receipt of said notice by Broker, Broker shall have fifteen (15) days with which to elect to purchase the Station on the necessary terms and conditions offered. If Broker does not elect to purchase the

Station, then Licensee shall be free for a period of thirty (30) days to enter into such a contract to sell the Station with such offer or on the precise terms and conditions of the written offer presented to Broker. If Licensee does not enter into such contract to sell the Station within this thirty (30) day period, then this right of first refusal vested in Broker shall be reinstated. In case the Station is sold to a party other than the Broker, the new Station Owner will be required to honor this right as long as the Broker maintains a Time Brokerage Agreement for the Station. If for any reason, the Licensee seeks to sell the Station to Larry D. Hembree and/or his spouse or other entity wholly owned by them, during the first term or first extension term of this Agreement, the Broker shall not exercise the right of first refusal.

20. **Stock Option.** The right of first refusal reserved for the Broker shall also apply to the sale of any stock, outstanding or to be issued, in the Licensee.

21. **Time Brokerage Payment.** If the Broker exercises the right of first refusal or an agreement is reached between the Licensee and Broker for the purchase of the station and its assets, then Broker shall receive a Fifty Thousand Dollar (\$50,000) credit applied to the purchase price.

22. **Notices.** All notices and other communications permitted or required hereunder shall be in writing and shall be given by (a) personal delivery, (b) U.S. certified mail, (c) a nationally recognized overnight carrier, or (d) facsimile, in each case addressed as follows:

If to Broker, to:

Kelly Trask, President
Diamond Shores Broadcasting, LLC
1534 N. Ewing St.
Seymour, IN 47274
Telephone: (812)522-1390
Email: kellytrask@gmail.com

If to Licensee, to:

Larry Hembree, President
Hembree Communications, Inc.

Telephone:
Email:

or to such other address as either party may specify to the other in writing from time to time.

Notice shall be deemed to have been given upon actual receipt.

23. **No Agency.** No agency relationship between the parties shall be expressed or implied by the terms of this Agreement, nor shall this Agreement be construed to create a joint venture or partnership between the parties. Neither party shall hold itself out as an agent, partner or joint venturer with the other. All contracts for the sale of air time, purchase orders, agreements, sales materials, and similar documents produced or executed by Broker shall be executed in the name of Broker, and not on behalf of the Licensee, and such contracts and related documents shall not represent that Broker is the licensee of the Station.

24. **Further Assurances.** Each party shall execute and deliver such additional documents and take such further actions as are reasonably necessary for the purposes of carrying out this Agreement.

25. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Licensee and its respective successors and assigns, including, without limitation, any assignee of the Commission license for the Station. This Agreement shall be binding upon and inure to the benefit of the Broker and its respective successors and assigns if the successor or assignee are also the purchaser of the Broker's stations and assets.

26. **Binding Effect.** This Agreement shall be binding upon the parties hereto and their successors and permitted assigns.

27. **Waiver.** No waiver by either party hereto of a breach by the other of any provision of this Agreement shall be deemed to constitute a waiver of any preceding or subsequent breach of the same provision of any other provision.

28. **Governing Law.** This Agreement shall be governed by the laws of the State of Indiana without regard to its choice of law provisions. Either party may elect to have any such dispute resolved by arbitration pursuant to the rules of the American Arbitration Association by giving written notice to the other party following delivery by either party of a notice of a breach hereof that is not thereafter cured. If neither party so elects arbitration, the matter may be adjudicated in court, and in such event (or in the event of a suit to compel arbitration or to confirm or enforce an arbitration award), each party consents to jurisdiction and venue in the state courts of Indiana.

29. **Counterparts; construction.** This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by e-mail transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. This Agreement is the product of joint negotiation between the parties. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement. Consequently, each party hereby waives the application of any rule of law to the effect that this Agreement or any provision of this Agreement would otherwise be construed against the party who drafted (or whose counsel drafted) such provision or this Agreement as a whole.

30. **Amendment.** This Agreement may be modified or amended only in writing and signed by the parties hereto.


31. ***Entire Agreement; Time of the Essence.*** This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and contracts between the parties. Time is of the essence of this Agreement and of each and every provision hereof.

[Remainder of this page left blank intentionally; the next page is the signature page]

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

BROKER:

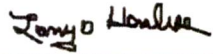
DIAMOND SHORES BROADCASTING, LLC

By: 

Kelly Trask
President

LICENSEE:

HEMBREE COMMUNICATIONS, INC.

By: 

Larry Hembree
President

ATTACHMENT 1

Broker agrees to cooperate with Licensee in the broadcasting of Programs of high standards, and for this purpose will observe the following regulations in the preparation, writing and broadcasting of its Programs:

I. Respectful of Faiths. The subject of religion and references to particular faiths, tenets and practices of churches and synagogues established in the listening area of the Station shall be treated with respect at all times, with the exception of any religious teachings that promote or incite terrorism.

II. No Denominational Attacks. Programs shall not be used as a medium for attack on any faith, denomination or sect except for groups promoting the violent overthrow of the American government or terrorism in general.

III. Controversial Issues. Any discussion of controversial issues of public importance shall avoid distortion and false statements; no baseless attacks on the honesty, integrity or like personal qualities of any person or group of persons shall be made during the discussion of controversial issues of public importance; and editorializing about individual candidates or issues shall be undertaken only with the prior approval of Licensee. If personal attacks are broadcast, Licensee may require that responsive programming be aired.

IV. Donation Solicitation. Requests for donations in the form of a specific amount shall not be made if there is any suggestion that such donation will result in miracles or cures. However, statements generally requesting donations to support a broadcast, ministry or church are permitted.

V. Treatment of Parapsychology. The advertising or promotion of fortune telling, occultism, astrology, phrenology, palm reading, or numerology, mind-reading, character readings, or subjects of the like nature is not permitted.

VI. No Fraudulent Billing. No invoice or affidavit of performance shall be issued in connection with commercial matter broadcast within Programs that falsifies the facts as to the broadcast of such matter.

VII. Conflict Advertising. Broker shall broadcast no advertising matter or announcement which may, in the opinion of Licensee, be injurious or prejudicial to the interests of the public, the Station, or honest advertising and reputable business in general

VIII. Offensive Sounds. Broker shall ensure that the Programs exclude offensive sounds, including material describing in a repellent manner internal bodily functions or symptomatic results of internal disturbances.

IX. Profanity. Any programs or announcements that are slanderous, obscene, profane, vulgar, indecent or repulsive, either in theme or treatment.

X. No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited.

XI. No Lotteries. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.

XII. No "Dream Books". References to "dream books," the "straight line," or other direct or indirect descriptions or solicitations relative to the "numbers game," or the "policy game," or any other form of gambling are prohibited.

XIII. No Numbers Game. References to chapter and verse numbers, paragraph numbers, or song numbers, which involve three digits should be avoided and, when used, must relate to the overall theme of the program.

XIV. Election Procedures. At least ninety days before the start of any primary or regular election campaign, Broker will clear with Licensee's general manager the rate Broker will charge for the time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged is in conformance with the applicable law and Station policy.

XV. Commercial Limitations. With respect to any given segment of airtime hereunder, the amount of commercial matter shall not exceed thirty minutes during any sixty minute segment except for paid programs approved in advance by Licensee. Broker will provide, for attachment to or inclusion within the Station logs, a list of all commercial announcement for its programming.

XVI. Required Announcements. Broker shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station, and (ii) any other announcement that may be required by law, regulation, or Station policy.

XVII. Credit Terms Advertising. Programs shall comply with the rules of the Federal Trade Commission with respect to the advertising of credit terms.

XVIII. Commercial Recordkeeping. Broker shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly (including to relatives) from any person or company for the presentation of any programming over the Station without reporting the same in advance to and receiving the prior written consent of Licensee's general manager. No commercial messages ("plugs") or undue references shall be made in programming presented over the Station to any business venture, profit making activity, or other interest (other than non-commercial announcements for *bona fide* charities, church activities, or other public service activities) in which Broker (or anyone else) is directly or indirectly interested without the same having been approved in advance by Licensee's general manager and such broadcast being announced and logged and sponsored.

XIX. No Illegal Announcements. No announcements or promotion prohibited by federal or state law or regulation of any lottery or game shall be made over the Station. Any game, contest, or promotion relating to or to be presented over the Station must be fully stated and explained in

advance to Licensee, who reserves the right in its sole discretion to reject any game, contest or promotion.

XX. Licensee Discretion Paramount. In accordance with Licensee's responsibility under Communications Law, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which in sole judgment of Licensee or its general manager or other agent would not serve the public interest.

XXI. Programming Prohibitions. Broker shall not broadcast any of the following programs or announcements.

- A. False Claims.* False or unwarranted claims for any product or service.
- B. Unfair Imitation.* Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- C. Commercial Disparagement.* Any vituperative or bad faith disparagement of competitors or competitive goods.

Licensee may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest would be served.

In any case where questions of policy or interpretation arise, Broker should submit the same to Licensee for decision before making any commitments in connection therewith.