

LOCAL MARKETING/SALE AGREEMENT

THIS AGREEMENT is made by and between Bonnie Chambers (hereafter "Owner") and BOFAR MEDIA GROUP, LLC. (hereafter "Lessee") to be effective on October 1, 2020 the "Agreement." Owner and Lessee are collectively referred to herein as the "Parties".

RECITALS

- A. Owner is the Federal Communications Commission ("FCC") "Licensee" of K280GR, Boerne, Texas (Facility ID: 148337) and KBRN, Boerne, Texas (Facility ID: 51961) (the "Licenses"), and the owner a commercial AM/FM radio station business operated under the Licenses as "KBRN Radio", which is based on the use and promotion of the License; and, which radio station business includes all equipment, transmitters, repeaters, broadcasting systems, bank accounts, personal and real property interests, tower leases and licenses, trade names, and other assets used in connection with the operation of such business (hereafter the "Assets"). The Licenses and the Assets are referred to herein collectively as the "Station."
- B. Owner desires that Lessee undertake the full management and operation of Station for and on the behalf of Owner.

NOW, THEREFORE, the Parties hereto, for good and valuable consideration, agree as follows:

1. **MANAGEMENT.** Lessee hereby agrees to manage and operate the Station under the supervision and control of Owner, as Licensee. The management services provided herein shall include all aspects of the full operation and management of Station, including, but not limited to, the production and acquisition of programming, administration of all Station activities and personnel, employment and training of all personnel for the administration and operation of Station, financial and accounting services, engineering services, development of financial support, and compliance with all applicable laws and regulations. Current ads on air contracted by Tom Gebhart or Alison Chambers will still pay 50% commission on collection until expiration date of the agreements. There are not tax or benefits connected to these accounts. Lessee will honor current agreements with advertisers. *AL 409, TOMSD% Thru 12-31-20*
2. **TERM OF AGREEMENT.** This Agreement shall commence on the October 1, 2020, and it shall continue in full force and effect until the earlier of October 31, 2021 or the "Closing Date", as defined below. This Agreement may be extended if Licensee and Owner agree on terms for extension, in writing, at the sole discretion of Owner.
3. **CANCELLATION.** Notwithstanding the above, both Parties agree that the Owner may cancel this Agreement immediately without prior written notice if, in the sole judgment of the Owner reasonably exercised, the Station is being operated by Lessee in a manner contrary to the public interest, convenience and necessity, FCC rules and regulations, the Communications Act of 1934, as amended, or in a manner which may cause of loss of the Licenses held by the Owner (the "Substantial Default"). Further, the Owner may cancel this Agreement with three days' written notice, upon the occurrence of a Substantial Default by Lessee which remains uncured after notice, at Owner's sole discretion.
4. **COMPENSATION.** As consideration for the agreements made by Owner herein, Lessee shall pay Owner ~~each month during the term of this Agreement, due on the first day of each month (the "Monthly Payments").~~ In addition to the Monthly Payments, Lessee shall pay Owner ~~equal to one Monthly Payment and one month's fee and expenses, as a security deposit due upon signing.~~ *VARIES* Lessee shall be in default if the Monthly Payments are not paid by the Lessee on the first day of each month during the term of this Agreement. In addition to the Monthly Payments, during the term of the Agreement, Lessee shall pay all expenses and fees to operate the

Station, such as utilities, property and sales taxes, FCC fees, tower rental, insurance, etc. Owner shall be required to deliver an invoice to Lessee on or before the 25th day of each month, which sets forth the amount of the Monthly Payments and any other amounts to be paid by Lessee. Monthly Payments shall be considered received by Owner upon the Lessee depositing a check made payable to Owner, in the U.S. Mail, on or before the date it is due. There is no grace period for this Agreement. Time is of the essence. Lessee shall be in default if the Monthly Payments are not made by due date and Owner may terminate the Agreement immediately upon such default. In the event the first of the month falls on a weekend or holiday, the Monthly Payments shall be due and required to be made on the next business day.

5. **SALE OF STATION.** The Parties agree that Lessee shall have the right to purchase the Station from Owner, and Owner agrees to sell the Station to Lessee, for the agreed purchase price of ~~_____~~. The Parties agree that the sale of the Station from Owner to Lessee shall be subject to the approval of the FCC, and the Parties further agree to work together in good faith to seek and obtain such approval. The Parties agree to negotiate in good faith and enter into an Asset Purchase Agreement, ("APA"), within 10 days of Lessee notifying Owner of its intent to exercise its option to buy the stations. The Lessee shall notify the Owner if it elects to purchase the Station on or before December 31, 2020. If Lessee notifies the Owner that it elects to purchase the Station, the sale shall be closed, and the ownership of the Station transferred from Owner to Lessee within 10 days of the grant of the transfer application by the FCC becoming a "Final Order". This Agreement shall terminate on the Closing Date upon the ownership and rights of the Station being transferred to Lessee. On the Closing Date, and in the event the Lessee is not in default of the Agreement, the Owner shall apply \$1,200.00 (one thousand two hundred dollars) of each of the Monthly Payments toward the Purchase Price.

6. **LICENSE RENEWAL AND TRANSFER ACTIVATES.** The Owner, as the Licensee, has the ultimate responsibility with respect to all activities in connection with FCC license renewals, transfers, applications for power increases, and such other filings and reports as may be required by the FCC. Lessee agrees to assist and advise the Owner in all such activities and to prepare all necessary documents, filings, and reports for the Owner in a timely manner. Owner agrees to timely submit such filings prepared by Lessee in good faith.

7. **RESPONSIBILITY OF LICENSEE.** The Owner warrants, and Lessee relies on and accepts as true, that the operation of the Station by Owner is in compliance with all laws, rules and regulations of the FCC, and that such compliance is the ultimate responsibility of Owner, as Licensee. Nothing in this Agreement shall be construed as limiting, transferring, assigning, or relieving Owner of such responsibility during the term of this Agreement.

8. **STANDARDS OF OPERATION.** Lessee agrees that it will manage and operate the Station in order that the Station continue to meet the standards for qualification for the FCC License renewal. Lessee further agrees to manage and operate the Station in such a manner in order to produce radio programming of community value, and to remain compliant on all engineering, public file requirements, and EEO regulations.

9. **INSURANCE.** During the term of this Agreement, Lessee shall maintain insurance, including any extensions or renewals, in full force and effect or renewals, in the types and amounts set forth below:

- (a) Broadcast libel insurance – at least \$1,000,000.00;
- (b) General liability – at least \$1,000,000.00;
- (c) Automobile Insurance – as required by Texas law, including both commercial collision and comprehensive coverage; and
- (d) Workers Compensation – as required by Texas law.

All such policies of insurance shall list the Owner as an additional named insured, and provide that coverage may

Handwritten initials and a circular stamp.

not be reduced or terminated without at least thirty (30) days prior written notice to the Owner.

10. **ACCOUNTING.** Lessee shall keep full and adequate financial and accounting records of its activities in connection with the Station and make such records available for inspection by the Owner upon reasonable prior written notice. Provided Lessee is not in Substantial Default, all funds received by Station during this Agreement (except the Monthly Fees paid to Owner) shall be held and controlled by Lessee in compliance with this Agreement. Owner agrees that Lessee may pay a reasonable salary to Baron Wiley for serving as Lessee's manager of the Station during the term of this Agreement. Owner agrees funds received from the operation of the Station during the term of this Agreement shall remain the property of the Station, and to the extent not expended by Lessee in the operation of the Station, shall be part of the Assets transferred to Lessee at Closing.

11. **RELATIONSHIP.** Except as otherwise specifically set forth in this Agreement, no partnership, joint venture, employment, agency, or other relationship is created between the Parties. Lessee is not authorized to represent itself in any way as representing the Owner, nor is Lessee authorized to enter any contract for or on behalf of the Owner, except with the prior written consent of the Owner. Owner is not authorized to represent itself in any way as representing the Lessee, nor is Owner authorized to enter any contract for or on behalf of the Lessee, except with the prior written consent of the Lessee. The above notwithstanding, Lessee may represent itself as authorized to enter into, on behalf of the Station, ordinary agreements required for the day-to-day operation of the Station (i.e. advertising agreements, promotion agreements, sponsorship agreements, content or use license agreements, etc.) as reasonably required to conduct and expand the operation of the Station; and, all the rights and obligations of all such agreements shall be transferred to Lessee on the Closing Date.

12. **INDEMNIFICATION.** Lessee shall indemnify the Owner and hold the Owner harmless from and against any and all claims, liens, liability, damage or loss arising from Lessee's management and operation of the Station or from any default in the performance of any obligation on Lessee's part to be performed under the terms of this Agreement.

13. **NOTICES.** Any written notice to any party required or permitted under this Agreement shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, via fax, email or on the second day after mailing, if mailed to the party to whom notice is to be given, by first class mail, postage prepaid, and addresses to the addressee at the address stated opposite its name below, or at the most recent address, specified by written notice, given to the sender by the addressee under this provision.

If to Owner: Bonnie Chambers
9412 Magic Falls
Garden Ridge TX 78266
Email: georgee@xit.net

If to Lessee: BOFARS MEDIA GROUP, LLC
Attn: Baron Wiley
3306 Windy Ridge Court
San Antonio TX 78259
Email: baronfwiley@gmail.com

14. **HEADINGS.** The paragraph headings in no way define, limit, extend or interpret the scope of this Agreement or of any paragraph hereof.

15. **SEVERABILITY.** If any provisions of this Agreement shall be held invalid, illegal, or unenforceable, the same shall not affect in any respect whatsoever the validity of any other provisions of this Agreement.
16. **BINDING ON SUCCESSORS.** The provisions of this Agreement shall, subject to the terms and conditions hereof, be binding upon and inure to the benefit of the successors and assigns of each party.
17. **COMPLETE AGREEMENT.** This Agreement contains the entire agreement of the parties and, except as specifically referred to herein, all prior obligations, proposals and agreements relating to the subject matter hereof have been merged herein. This Agreement shall not be modified or amended except by agreement in writing duly executed by the Parties.
18. **ATTORNEYS' FEES.** Should any litigation be commenced between the Parties hereto or their representative's concerning any provision of this Agreement or the rights and duties of any person or entity in relation thereof, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorneys' fees and court costs in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose. Venue for any dispute shall be in Bexar County, Texas.
19. **NO ASSIGNMENT.** This Agreement and all its rights and obligations may not be assigned by a party without the prior written consent of the non-assigning party.
20. **INCORPORATION BY REFERENCE.** The Federal Communications Act of 1934 is incorporated herein by reference and shall be considered a part of this Agreement as if fully set forth.
21. **GOVERNING LAW.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas.

IN WITNESS WHEREOF, the Parties to this Agreement have duly executed this Agreement as of the date set forth.

OWNER:

By: Bonnie Chambers
Bonnie Chambers, Licensee
Date Signed: 9/14/2020

Witness: [Signature]
George Chambers
Printed Name

Address

LESSEE:

BOFAR MEDIA GROUP, LLC

By: [Signature]
Baron Wiley, President & Member
Date Signed: 9/14/2020

Witness: [Signature]
Ruth Wehmeier
Printed Name
