

### APPENDIX 3

The following is a list of the expenses that are incurred on a recurrent basis (weekly, monthly and in some instances yearly), that the BUYER will reimburse SELLER, plus a 15% handling fee, all in accordance with the terms and conditions of this contract:


1. Utilities such as water and electricity.
2. Monthly rent paid for the property located in Yauco and for the translator located in Mayaguez.
3. Neptuno streaming services from Yauco to Mayaguez .
4. BMI license fees.
5. ASCAP license fees.
6. GMR license fees.
7. AEE payment bond.
8. Miscellaneous expenses.
9. Telephone and internet expenses
10. Office janitorial services, presently provided by Diosdado.
11. Landscaping services, presently provided by Roger.
12. Property taxes (CRIM) of the real estate in Yauco.
13. Insurance policies .

At the moment of signing the contract, the total yearly expenses are estimated to be around [REDACTED]. The parties recognize that these amounts will vary from time to time during the course of this contract.


## Appendix 4

### LOCAL MARKETING AGREEMENT

This Local Marketing Agreement (the "Agreement") dated as of June 15, 2023 is entered into by and among Media Power Group, Inc. ("MPG"), a Puerto Rico corporation, which is the owner and operator of the following stations, all currently being operated by Owner under the tradename of "Radio Isla" within the Commonwealth of Puerto Rico (the "Commonwealth"): (i) WKFE-AM / Yauco-1550 KHz-FCC Facility ID No. 52942 and (ii) W228EF / Mayaguez-93.5 MHz-FCC Facility ID No. 203036 (each individually a "Station", and collectively referred to as the "Stations"), and Faro de Santidad, Inc., a Puerto Rico corporation ("Broker") (Broker and Seller are sometimes hereinafter referred to individually as a "Party" and collectively as "Parties").

 **WHEREAS**, Owner and Broker, simultaneously with the execution of this Agreement, have executed an asset purchase agreement pertaining to all of Owner's assets used in the operation of the Stations (the "Asset Purchase Agreement"). Owner shall be the owner of the Stations up to the date Broker consummates its acquisition of the Stations pursuant to the terms of the Asset Purchase Agreement. As of the date hereof and until the Closing Date, Owner will be engaged in the business of radio broadcasting on the Stations;

**WHEREAS**, Owner wishes to retain Broker to provide programming for the Stations pursuant to the terms and conditions set forth in this Agreement and in conformity with the Stations' policies of the Federal Communications Commission (the "FCC"); and

 **WHEREAS**, Broker wishes to supply such programming and sell advertising that is in conformance with the Stations' policies and all FCC Rules, including the requirement that the ultimate control of the Stations be maintained by Owner;

**NOW THEREFORE**, for and in consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

**1. Purchase of Airtime and Provision of Programming.** As of August 1, 2023 (the "Effective Date") until the Closing Date, subject to the terms and conditions of this Agreement, Owner agrees to broadcast programming supplied by Broker twenty-four (24) hours-per-day, seven (7) days per week.

To facilitate delivery of programming by Broker hereunder, Owner hereby grants to Broker the right to use the facilities of WKFE-1550 AM Yauco as well as its rented facilities in WKJB Mayaguez related to its 93.5 FM translator. (the "Facilities"). Broker shall hold Owner Parties harmless from all costs, fees and expenses incurred with respect to any personal injury suffered by any employee or agent of Broker while on the property of Owner. Broker also shall be responsible for and shall reimburse Owner for any damage to the property of Owner caused by Broker's employees or agents.

Broker shall air the programming, which shall be provided by Broker for Owner's approval at least ten (10) days prior to the date such programming shall air.

2. **Payments.** During the term of this Agreement, Broker shall pay Owner the payments agreed and set forth on the Asset Purchase Agreement. All payments shall be made no later than the fifteenth (15th) day of each calendar month, to Owner by wire payment of immediately available funds to an account designated in writing by Owner or by a company check delivered to Owner at the address provided by Owner.

3. **Accounts Receivable.** All revenues and cash accounts receivable for broadcasts on the Stations following the Effective Date shall belong to Broker. Broker may sell advertising time consistent with the applicable rules and regulations and the Policy Statement (as defined below), on the Stations in combination with any other broadcast station of its choosing, subject to compliance with applicable law. Broker shall be responsible for payment of the commissions due to any sales representative, agency or employee engaged by it for the purpose of selling advertising that is carried during the programming it provides to Owner.

4. **Prohibition on Resale.** Broker agrees that it will not resell or otherwise transfer all or any portion of the airtime purchased from Owner hereunder without the express prior written consent of Owner, which consent shall not be unreasonably withheld, any such sale or transfer without such consent being void and of no force or effect.

5. **Program Delivery Requirements.** Broker shall deliver programming at its expense to the Stations' transmitter facilities or other authorized remote control points as reasonably designated by Owner.

6. **Term.** The term of this Agreement shall be from the Effective date until the Closing Date unless sooner terminated. Notwithstanding the foregoing, Owner and Broker agree that this agreement shall become effective only if Broker complies with the terms of the Asset Purchase Agreement.

7. **Programming Standards.** All programs supplied by Broker shall be in good taste and shall meet in all material respects all applicable rules, regulations and policies of the FCC. All advertising spots and promotional material or announcements shall comply with all applicable federal, Commonwealth, state and local regulations and policies.

8. **Responsibility for Expenses and Employees.** Owner will provide and be responsible for:

- (i) Station's personnel necessary for the operation of the Stations in order to guarantee total compliance with FCC applicable rules and regulations and it will be responsible for the salaries, taxes, insurance and related costs;
- (ii) all real property taxes and expenses, other real property costs and various insurance policies (including property, multimedia, public responsibility, Director &

Officers and any other insurance policy deemed necessary by Owner). Broker will reimburse Owner for these expenses.



(iii) all costs and expenses for the maintenance of all transmitter equipment, as determined by Owner in its sole discretion. Broker will reimburse Owner for these expenses.

(iv) all operating expenses of the Stations (including water, electric energy, telephone, internet, streaming services from Yauco to Mayaguez, utilities payment bonds and other utilities expenses). Broker will reimburse Owner for these expenses.

(v) all copyright fees attributable to Broker's programming broadcast on the Station, including, without limitation, all ASCAP, BMI, GMR and SESAC fees, and fees for any other necessary music performance rights. Broker will reimburse Owner for these expenses.

(vi) Monthly rents paid by Owner for the property located in Yauco and for the translator located in Mayaguez. Broker will reimburse Owner for these expenses.

(vii) all station engineers (the "Engineer") to maintain all transmitting facilities within applicable FCC Standards and commercial Broadcast Quality. The Engineer shall at all times be an employee of Owner and Owner shall be responsible for all actions of the Engineer and all aspects of such employment it being understood that the Engineer is being provided to Broker and the Engineer is an employee of Owner and never of Broker nor shall the Engineer be deemed as an independent contractor of Broker.

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Broker shall be responsible for all other expenses involved in the operation of the Stations including, without limitation:

- (i) all operating expenses of the Stations (including expenses related to sales, marketing, promotion, advertising, billing and collections and traffic);
- (ii) all costs and expenses for maintenance and repairs of studio, radio broadcast, transmitter and tower equipment, including substitution for new equipment, under the direct supervision and approval of Owner's Engineer and other maintenance including office janitorial services, landscaping services and building maintenance and required repairs. All repairs to equipment and tower and new equipment as well as any improvement of the building (with the previous approval of Owner) will become property of the Owner until execution of the Asset Purchase Agreement.
- (iii) the employment and salaries, taxes, insurance and related costs for all personnel used in the production of its programming, including salespeople, traffic personnel, board operators and programming staff.

**9. Control.** Notwithstanding anything to the contrary in this Agreement, Owner shall have full authority and power over the management and operation of the Stations during the period of this Agreement. Owner shall provide and pay for Personnel of the Station, who shall report and be accountable solely to Owner and who shall be responsible for the direction of the day-to-day operation of the Stations to the extent required pursuant to the FCC Rules and a chief operator responsible for the continued technical operation of the stations. At Owner's request, Broker shall cooperate with and assist Owner in complying



with the FCC Rules and the other rules and regulations. Broker shall cause the Stations to transmit any required tests of the Emergency Alert System at such times as are directed by Owner. Broker shall prepare, maintain, and deliver to Owner all records and information required by the FCC to be placed in the public inspection files of the Stations pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC's rules, and agrees to broadcast sponsored programming addressing political issues, in accordance with the provisions of Section 73.1212 of the FCC's rules. Broker also shall consult with Owner and adhere strictly to all applicable statutes and the rules, regulations and policies of the FCC, as announced from time to time, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to "equal opportunities") and the charges permitted therefor; provided, however, that in the event that Owner, in its sole discretion, determines that Broker is failing to comply with such statutes and FCC Rules, upon Owner's instruction to such effect, Broker shall immediately cease and desist from carrying political advertisements and programming. Broker shall furnish within its programming, on behalf of Owner, all station identification announcements required by the FCC's rules. Broker shall provide information with respect to any of its programming which is responsive to the public needs and interests of the area served by the Stations so as to assist Owner in the preparation of any required programming reports, and provide other information to enable Owner to prepare other records, reports and logs required by the FCC or other local, state, Commonwealth or federal governmental agencies.

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10. **Payola and Plugola.** Broker will provide to the Stations, in advance, any information known to Broker regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Owner by Broker for broadcast on the Stations, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with the FCC Rules. Commercial matter shall have obvious sponsorship identification contained in the commercial copy. Broker will at all times endeavor to proceed in good faith to comply with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related FCC Rules and regulations of the FCC.

11. **Compliance with Law.** Broker will, in good faith, endeavor to comply with all laws and regulations applicable to the broadcast of programming by the Stations.

12. **Indemnification; Rights of Owner; Insurance; Business Interruptions.** The Broker will indemnify and hold harmless Owner against all claims, damages, liabilities, costs and expenses including, without limitation, amounts paid in settlement, any judgment and reasonable attorneys' fees and costs (the "Losses") resulting from claims for defamation, slander, illegal competition or trade practice, violation of rights of privacy and FCC requirements, and infringement of copyrights or other proprietary rights or other law arising out of the broadcast on the Stations of programming furnished by Broker pursuant to this Agreement. All such insurance shall, to the extent of the Broker's indemnity

obligations under this Agreement, be primary to any other available coverage and shall name Owner as additional insured. The insurance certificate shall indicate that such Owner shall be notified not less than thirty (30) days prior to any cancellation or material change in coverage.

**13. Events of Default.** The following shall constitute events of default (the "Events of Default") under this Agreement:

- a. Broker's failure to pay any broadcast fee when due;
- b. Broker's failure to deliver programs in a timely fashion;
- c. The default by Broker or by Owner in the performance of any material covenant, condition or undertaking contained in this Agreement;
- d. If Broker shall (a) make a general assignment for the benefit of creditors; (b) file or have filed against it a petition for bankruptcy, for reorganization or an arrangement, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of Broker under any federal, Commonwealth or state insolvency law, which, if filed against Broker, has not been dismissed or discharged within thirty (30) days thereof;
- e. If any representation or warranty made by Owner or Broker in this Agreement, or in any certificate or document furnished by Broker to Owner or by Owner to Broker pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the time furnished.
- f. The default by Broker or by Owner in the performance of any material covenant, condition or undertaking contained in FCC regulations.

**14. Automatic Termination.** This Agreement shall terminate automatically if: (i) this Agreement is declared invalid or illegal in whole or material part by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction and such order or decree has become final and no longer subject to further administrative or judicial review; or (ii) the transactions contemplated under the Asset Purchase Agreement are consummated.

**15. Mutual Representations and Warranties.** Each party represents to each other: (i) that it is legally qualified and able to enter into this Agreement; (ii) that the execution, delivery and performance hereof does not constitute a breach or violation of any agreement, contract or other obligation to which it is subject or by which it is bound and (iii) that this Agreement constitutes the legal, valid and binding obligation of such party, enforceable in accordance with its terms.

**16. Construction.** This Agreement shall be construed in accordance with the laws of the Commonwealth of Puerto Rico without regard to the provisions of conflicts of law thereunder. The obligations of the parties to this Agreement are subject to all federal, Commonwealth, state or municipal laws or regulations, including those of the FCC, now or hereafter in force. The parties each acknowledge that all the terms and conditions in this Agreement have been the subject of active and complete negotiation between the parties

and represent the parties' agreement based upon all relevant considerations. The parties agree that the terms and conditions of this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or its professional advisors participated in the preparation hereof. Nothing in this agreement shall be deemed to constitute a joint venture or partnership between the parties hereto.

**17. Successors and Assigns.** This Agreement may not be assigned by Broker without the express written consent of Owner first had and obtained. Except as otherwise provided herein, this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

**18. Notices.** Any notice required or permitted hereunder shall be in writing and shall be deemed given when delivered personally, or mailed by United States mail, postage prepaid, and addressed as follows:

If, to SELLER:

Media Power Group, Inc.  
PO Box 270179  
San Juan, Puerto Rico 00927-0179

Telephone: 787.641.2164  
Telecopier: 787. 641.2165  
Attention: Eduardo Rivero Albino

Copy (which shall not, by itself, constitute notice) to:

Mr. Dennis Bechara  
PO Box 1194  
Mayagüez, Puerto Rico 00681

If to BUYER:

Faro de Santidad, Inc.  
P.O. Box 960  
Canóvanas, Puerto Rico 00729

Copy (which shall not, by itself constitute notice) to:

Rev. Pedro de Jesús  
Calle 17 B, OC4  
Urb. Villas de Loiza  
Canóvanas, Puerto Rico 00729


In the event of a change of address during the course of this agreement, the parties agree to inform each other of any such change immediately thereafter.

19. **Confidentiality.** As of the date hereof, if a Party provides (or, prior to the execution hereof, has provided) Confidential Information (as hereinafter defined) to the other Party in writing and identified as such or if in the course of performing under this Agreement any Party learns Confidential Information regarding the facilities or plans of any other Party, the receiving Party shall protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information. Confidential Information means all confidential and proprietary information, currently existing or subsequently created during the term of the relationship between the Parties, which any Party owns or controls and which has not been released by such Party to the general public or a third party without similar restrictions. Such information includes but is not limited to, all terms and conditions of this Agreement other than such terms and conditions as must be filed with the FCC in accordance with the FCC Rules, any and all proprietary information and any other information (excluding information in the public domain other than as a direct or indirect result of any breach by either Party of the provisions of this section) related to the business, operations, management, assets, properties, plans or prospects, condition, financial or otherwise, of any Party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement on the date first written above.


**MEDIA POWER GROUP, INC.**

By:

  
Eduardo Rivero Albino  
Chief Executive Officer

**FARO DE SANTIDAD, INC.**

By:

  
Rev. Pedro de Jesús  
Chief Executive Officer