

## TIME BROKERAGE AGREEMENT

This TIME BROKERAGE AGREEMENT (the "**Agreement**"), dated as of June 1, 2022, is by and between Watson Broadcasting, LLC, a Florida limited liability company ("**Programmer**"), and B&C Communications, LLC, a New York limited liability company ("**Licensee**", and together with Programmer, the "**Parties**").

WHEREAS, Licensee is the owner and licensee of digital full power television broadcast station WPAN(TV), digital Channel 21 (virtual Channel 53), Fort Walton Beach, Florida (Facility ID No. 31570, "**WPAN**" or the "**Station**"), in the Mobile, Alabama-Pensacola, Florida Designated Market Area (the "**DMA**"); and

WHEREAS, the principal owner and Manager of Programmer, Vernon Watson ("**Watson**"), is the licensee of Class A television station WBQP-CD, Pensacola, Florida (Facility ID No. 69993, "**WBQP**"); and

WHEREAS, Programmer desires to program the Station, and Licensee is willing to lease time on the Station to Programmer for Programmer to provide programming for the Station that is in conformity with Federal Communications Commission ("**FCC**") rules, regulations and policies, and the provisions of this Agreement, and subject to Licensee's ultimate authority to control the operation of the Station;

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and covenants contained herein, the Parties, intending to be bound legally, agree as follows:

### **Section 1** Effective Date and Programmer Services

1.1 Effective Date. The Effective Date of this Agreement shall be June 1, 2022, or such later date as the Parties may mutually agree in writing (the "**Effective Date**").

1.2 Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of one (1) calendar month from the Effective Date, unless earlier terminated pursuant to the terms of this Agreement (the "**Initial Term**"). This Agreement shall renew for successive additional renewal terms of one (1) calendar month each (each a "**Renewal Term**", and together with the Initial Term, the "**Term**") unless either Licensee or Programmer gives written notice to the other party at least thirty (30) days prior to the expiration of a current term that it elects to not renew this Agreement.

1.3 Program Services. Licensee shall make available to Programmer on an exclusive basis broadcast time on a digital subchannel of the Station determined by Licensee for the over the air broadcast of Programmer's standard definition format local and general entertainment and infomercials programming (the "**Programming**") by the Station as determined by Programmer, which may be carried under mandatory carriage or retransmission consent on local cable or direct broadcast satellite or other multichannel video programming distributors ("**MVPDs**") in or

adjacent to the DMA, for up to one hundred sixty-eight (168) hours per week. Programmer's right to broadcast time on the Station is limited to the broadcast of the Programming as described in this Section 1.3. In the event that Licensee determines in its sole discretion that the Programming has not covered issues of local interest, and served the educational and informational needs of children (including at least three hours per week of such children's programming, as defined by Section 73.671(c) of the FCC's rules), in an adequate manner, Licensee shall have the right to broadcast material of its own selection to address such issues ("**Licensee's Reserved Time Programming**"), up to three (3) hours per week and at such dates and times as Licensee may determine in its sole discretion. Programmer shall be entitled to retain all revenues received for the broadcast of its Programming on the Station, and Licensee shall be entitled to retain any revenues received for the broadcast of Licensee's Reserved Time Programming. In no event shall Programmer owe Licensee an additional fee associated with Licensee's Reserved Time Programming.

#### 1.4 Consideration.

(a) Programmer shall pay a nonrefundable one-time payment of [ redacted \* \* \* ] to Licensee upon execution of this Agreement and prior to the Effective Date, which Licensee will use to buy certain equipment needed to add the Programming to air on the Station. Ongoing, as consideration for permitting Programmer to air its Programming on the Station, Programmer shall pay to Licensee (or to such other entity as Licensee may designate by written notice to Programmer, a "**Designee**") on a monthly basis compensation (the "**Monthly Payment**"), prorated for any partial month during the Term, in the amount of [ redacted \* \* \* ] per calendar month, except that there shall be no Monthly Payment for the first month of the Initial Term.

(b) All Monthly Payments due hereunder shall be due and payable and made to Licensee (or Designee) in advance by the first (1<sup>st</sup>) day of each calendar month, and late if not received by Licensee by the fifth (5<sup>th</sup>) day of the month. Monthly Payments shall be made by check, or Automated Clearing House ("ACH") electronic payment of available funds in accordance with ACH deposit instructions to be provided by Licensee. Failure of Programmer to timely pay the Monthly Payment shall be a material breach of this Agreement, and if Programmer fails to cure such material breach by making payment by the fifth (5<sup>th</sup>) day of the month, Licensee may immediately suspend broadcasts of Programmer's Programming and/or terminate this Agreement by written notice to Programmer (which notice may be by email to Programmer, to the email address specified in Section 8.5 of this Agreement).

(c) In the event that a Monthly Payment is not paid by Programmer and confirmed received by Licensee by the fifth (5<sup>th</sup>) day of the calendar month for which it is due, and in recognition of the time and expense to Licensee of enforcement and collection efforts related to late payments, Programmer shall pay to Licensee a late payment penalty or fee of One Hundred Dollars (\$100.00) for each such late payment, in addition to the Monthly Payment due.

1.5 Licensee's Operation of Station. Programmer acknowledges that Licensee retains ultimate control over the management and operation of the Station during the Term of this Agreement, including but not limited to control over the finances, personnel and programming relating to its operation of the Station. Licensee shall remain responsible for the Station's

compliance with all applicable provisions of the Communications Act of 1934, as amended (the "Act"), the rules, regulations and policies of the FCC, and all other applicable laws and governmental regulations. Licensee shall be solely responsible for and pay in a timely manner all operating costs of the Station.

1.6 Programmer's Costs and Expenses. Programmer shall be directly responsible for all costs associated with its Programming, including but not limited to production, sales, marketing and other services provided pursuant to this Agreement, and shall be responsible for the salaries, taxes, insurance and related costs for all personnel employed by Programmer. Programmer shall be solely responsible for all expenses incurred in the origination and/or delivery of its Programming to the Station's transmitter location (either by microwave or satellite or internet protocol ("IP") delivery, in either case with all costs of such delivery, including any equipment, servers and/or internet connection provided at Programmer's expense, and with any microwave or satellite dish mounted in a mutually agreeable location at the Station's transmitter location at an additional cost to Programmer), and for all costs associated with the acquisition and clearance of such Programming. Programmer's Programming activities shall be covered by Licensee's existing ASCAP, BMI, SESAC, or any other music performance society music licenses. Programmer, however, agrees to reimburse Licensee for any incremental music license fees payable as the result of Programmer's activities under this Agreement. All equipment of Programmer at the Station's transmitter location shall be installed and used in accordance with best broadcast engineering practices, and without harm or damage to any other equipment or use at the site. Upon termination of this Agreement, or the termination of the use of any of Programmer's equipment at the site, Programmer shall remove any such equipment within thirty (30) days, and any equipment not removed within that time period shall become the property of Licensee, which may be used, sold, or disposed of by Licensee in Licensee's sole discretion.

## **Section 2**

### **Licensee's Duties and Obligations**

2.1 Licensee's Authority. Nothing in this Agreement shall abrogate the unrestricted authority of Licensee to discharge its obligations to the public and to comply with the Act and the rules, regulations and policies of the FCC. Licensee shall also retain the right to preempt Programmer's Programming in case of an emergency, for programming which Licensee determines is of greater local or national public importance, or in the event that Licensee reasonably determines that the Programming provided by Programmer is unsatisfactory or unsuitable or contrary to the public interest

#### 2.2 Additional Obligations of Licensee.

(a) Political Advertising. Licensee and Programmer shall cooperate to ensure compliance with the FCC's rules governing uses of the Station's facilities by legally qualified candidates for public office, including Licensee's obligation to provide reasonable access to legally qualified federal candidates. Programmer will provide Licensee with copies of any material setting forth terms and/or conditions for the availability of political advertising time on the Station in advance of public dissemination of such material so that Licensee may approve such material.

(b) Station Identifications; EAS. Programmer will broadcast, under Licensee's direction, station identifications required under Section 73.1201 of the FCC's rules. Programmer agrees to cooperate with Licensee to ensure that all Emergency Alert System ("EAS") transmissions are properly performed in accordance with Licensee's instructions.

(c) Main Studio. Licensee shall be responsible for ensuring compliance with the FCC's rules governing the Station's main studio, including maintaining the Station's quarterly issues/programs lists and public inspection files; provided, however, that Programmer shall provide input and information necessary to prepare the quarterly issues/programs lists, quarterly children's television programming reports, political file, equal employment opportunity file, compliance with commercial limits, and compliance with local programming requirements. Licensee has designated a Chief Operator, as that term is defined by the rules and regulations of the FCC, who is responsible for compliance by the Station with the technical operating and reporting requirements established by the FCC.

### **Section 3** **Licensee's Programming Policies**

3.1 Programming Policies. Programmer's Programming material shall comply in all material respects with all rules and regulations of the FCC, and with any written programming guidelines and policies provided by Licensee from time to time. If Licensee determines that a program, commercial announcement or promotional material supplied by Programmer is unsatisfactory or unsuitable or contrary to the public interest, it may, upon written notice to Programmer (to the extent time permits such notice), suspend or cancel such program, commercial announcement or promotional material and substitute its own programming or require Programmer to substitute a suitable program, commercial announcement or other announcement or promotional material.

3.2 Licensee Control of Programming. Programmer recognizes that Licensee retains ultimate authority to control the operation of the Station. The Parties agree that Licensee's authority includes but is not limited to the right to reject such portions of Programmer's Programming in accordance with Sections 2.1 and 3.1 hereto. Programmer shall give Licensee at least thirty (30) days prior written notice of any proposed substantial and material changes in its scheduled Programming (which currently is grioTV programming), and any such change requires Licensee's prior written approval. Licensee and Programmer will cooperate in an effort to avoid conflicts regarding programming on the Station.

3.3 Payola. With respect to its Programming on the Station, Programmer shall not accept, and shall not permit any of its employees to accept, any consideration, compensation, gift or gratuity of any kind whatsoever, regardless of its value or form, unless the payer is identified in the program for which consideration was provided as having paid for or furnished such consideration in accordance with the Act and FCC requirements.

## **Section 4**

### **Indemnification**

4.1 Programmer's Indemnification. Programmer shall indemnify and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages, expenses, including any FCC fines or forfeitures (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description, including but not limited to slander, indecency or defamation (hereinafter "**Claims**"), arising out of: (a) Programmer's broadcasts of Programmer's Programming and/or sale of advertising time by Programmer under this Agreement; (b) the actions, inactions or conduct of Programmer or Programmer's employees; and (c) any breach by Programmer of any of the representations, warranties, agreements or covenants applicable to Programmer pursuant to this Agreement.

4.2 Licensee's Indemnification. Licensee shall indemnify and hold harmless Programmer from and against any Claims arising out of: (a) any broadcasts on the Station prior to the Effective Date; (b) any broadcasts on the Station originated by Licensee pursuant to this Agreement; (c) the actions, inactions or conduct of Licensee or Licensee's employees; and (d) any breach by Licensee of any of the representations, warranties, agreements or covenants applicable to Licensee pursuant to this Agreement.

4.3 Indemnification Notice, and Survival. Neither Licensee nor Programmer shall be entitled to indemnification pursuant to this Section 4 unless such claim for indemnification is asserted in writing delivered to the other party, and where any such Claims involve a legal action, the party from whom indemnification is sought has been given written notice sufficiently in advance to permit such party to defend, contest, or compromise such action at its own cost and risk. The obligation of Programmer and Licensee to indemnify and hold each other harmless as set forth in this Agreement shall survive any termination of this Agreement and shall continue until the expiration of all applicable statutes of limitations as to the parties hereto and to claims of third parties.

4.4 Insurance, and Certificate of Insurance. Programmer, at its own expense, shall obtain and keep in full force and effect at all times during the Term of this Agreement an insurance policy (or policies) written by a company reasonably acceptable to Licensee, in an amount of not less than One Million Dollars (\$1,000,000.00) and naming Licensee as an additional insured, against liability for personal injury or death, property damage, errors and omissions, and general business claims. The insurance policy must require at least thirty (30) days written notice to Licensee prior to any modification or termination of the policy, and Programmer must provide to Licensee prior to the Effective Date, and annually thereafter on the anniversary of the Effective Date or upon request, a certificate of insurance showing that such an insurance policy is in effect.

4.5 Time Brokerage Challenge. If this Agreement is challenged at the FCC or in another administrative or judicial forum, Licensee and Programmer shall jointly defend the Agreement and the Parties' performance hereunder throughout all such proceedings. If portions of this Agreement do not receive the approval of the FCC, then the Parties shall reform the Agreement, consistent with the provisions of Section 8.6, as necessary to satisfy the FCC's concerns.

**Section 5**  
**Access to Programmer Materials and Correspondence**

5.1 Political Advertising. Programmer shall cooperate with Licensee in complying with all rules of the FCC regarding political broadcasting. Licensee shall promptly supply to Programmer, and Programmer shall promptly supply to Licensee, such information, including all inquiries concerning the broadcast of political advertising, as may be necessary to comply with FCC rules and policies, including the lowest unit rate, equal opportunities, reasonable access, political file and related requirements of federal law. Licensee, in consultation with Programmer, shall develop a statement which discloses its political broadcasting policies to political candidates, and Programmer shall follow those policies in the sale of political programming and advertising. In the event that Programmer fails to satisfy the political broadcasting requirements under the Act and the rules, regulations and policies of the FCC and such failure inhibits Licensee in its compliance with the political broadcasting requirements of the FCC, then to the extent reasonably necessary to assure such compliance, Programmer shall either provide rebates to political advertisers or release advertising availabilities to Licensee.

**Section 6**  
**Representations and Warranties of the Parties**

6.1 By Licensee . Licensee makes the following representations and warranties to Programmer:

(a) Authority and Binding Obligation. Licensee has all requisite power and authority to execute and deliver this Agreement contemplated hereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by it hereunder and thereunder. This Agreement has been duly executed and delivered by Licensee and constitutes the legal, valid, and binding obligation of Licensee, enforceable against it in accordance with its terms.

(b) Absence of Conflicting Agreements and Required Consents. The execution, delivery, and performance of this Agreement and the documents contemplated hereby (i) does not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, rule or regulation of any court or governmental unit to which Licensee is a party or by which Licensee is bound, (ii) does not conflict with, constitute grounds for termination of, result in a breach of or constitute a default under any agreement, instrument, license or permit to which Licensee is a party or by which Licensee may be bound, and (iii) does not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon the Station.

(c) FCC Licenses. All of the permits, licenses, and other authorizations necessary for the operation of the Station as it is currently operated (the “**FCC Licenses**”) are validly held by Licensee and are in full force and effect, have been issued for the full terms customarily issued to digital full power television broadcast stations in the State of Florida, and none of the FCC Licenses is subject to any restriction or condition which would limit in any respect the full operation of the Station as now operated. The Station is being operated in all material respects in accordance with the terms and conditions of the FCC Licenses and the rules and regulations of the

FCC. There are no applications, complaints or proceedings pending or, to the best of Licensee's knowledge, threatened before the FCC relating to the operation of the Station or that may result in the revocation, materially adverse modification, non-renewal or suspension of any of the FCC Licenses. Licensee is not subject to any outstanding judgment or order of the FCC relating to the Station. Licensee is not aware of any action other than rule-making proceedings of general applicability to the broadcasting industry which would adversely affect the FCC protected service area of the Station as such service area is presently authorized by the FCC.

(d) Transmission Facilities. Licensee holds valid title to all of the transmission equipment used or held for use in the operation of the Station as it is currently operated. All such transmission equipment is in good operating condition and repair (reasonable wear and tear excepted), has been properly maintained in accordance with industry standards, is performing satisfactorily and in accordance with standards of good engineering practice, complies in all respects with applicable rules and regulations of the FCC, the terms of the FCC Licenses, and with other applicable federal, state and local statutes, ordinances, rules and regulations, and are available for immediate use in the operation of the Station. Licensee has no knowledge of any defect in the condition or operation of any item of equipment currently used in the operation of the Station which is reasonably likely to have a material adverse effect on the operation of the Station.

6.2 By Programmer. Programmer makes the following representations and warranties to Licensee:

(a) Authority and Binding Obligation. Programmer has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by it hereunder and thereunder. This Agreement has been duly executed and delivered by Programmer and constitutes the legal, valid, and binding obligation of Programmer, enforceable against it in accordance with its terms.

(b) Absence of Conflicting Agreements and Required Consents. The execution, delivery, and performance of this Agreement and the documents contemplated hereby (i) does not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, rule or regulation of any court or governmental unit to which Programmer is a party or by which Programmer is bound, and (ii) does not conflict with, constitute grounds for termination of, result in a breach of or constitute a default under any agreement, instrument, license or permit to which Programmer is a party or by which Programmer may be bound.

(c) Compliance with Copyright Act. Programmer represents, warrants and covenants to Licensee that Programmer has full authority to broadcast its Programming on the Station, and that Programmer shall not broadcast any material in violation of the Copyright Act.

## **Section 7** **Termination**

7.1 Right of Termination. In addition to other remedies available at law or equity or as specified elsewhere in this Agreement, this Agreement may be terminated: (i) by the mutual

written consent of the Parties, or (ii) by either Licensee or Programmer by written notice to the other if the party seeking to terminate is not then in material default or breach hereof upon the occurrence of any of the following:

(A) this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an 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;

(B) the other party (i) has filed a petition in bankruptcy, is insolvent, or has sought relief under any law related to the party's financial condition or its ability to meet its payment obligations, or (ii) if any involuntary petition in bankruptcy has been filed against the other party, or any relief under any such law has been sought by any creditor(s) of such party; or

(C) there has been a material change in FCC rules, policies or precedent that would cause this Agreement to be in violation thereof and such change is in effect and not the subject of an appeal or further administrative review, provided that in such event the Parties shall first negotiate in good faith and attempt to agree on an amendment to this Agreement consistent with Section 8.6 below.

7.2 *Force Majeure.* Any failure or impairment of the Station's facilities or any delay or interruption in the broadcast of programs, or failure at any time to furnish facilities, in whole or in part, for broadcast, due to Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Licensee or Programmer, shall not constitute a breach of this Agreement or create liability to the other party.

## **Section 8** **Miscellaneous**

8.1 Assignment. Except as otherwise provided herein, neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed, except that Licensee may assign its rights under this Agreement without the prior consent of Programmer to another entity to which Licensee may be permitted to transfer or assign the Station under a *pro forma* assignment or transfer of control (as permitted under Section 73.3540(f) the FCC's rules).

8.2 Entire Agreement. This Agreement embodies the entire agreement and understanding of the Parties and supersedes any and all prior agreements and understandings or discussions relating to matters provided for herein. No amendment to this Agreement will be effective unless evidenced by an instrument in writing signed by the Parties.

8.3 Headings. The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

8.4 Governing Law. The obligations of Licensee and Programmer are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Act



and the rules, regulations and policies of the FCC. Since WPAN and its broadcast tower and the Parties are all located in the State of Florida, the construction and performance of this Agreement shall be governed by the laws of the State of Florida, without regard to its choice of law provisions, with the venue for any action being before a state or federal court of competent jurisdiction sitting in Escambia County, Florida.

8.5 Notices. Any notice, demand or request required or permitted to be given hereunder shall be given in accordance with the address and contact information set forth below and shall be given in writing, by certified U.S. mail, postage prepaid, evidenced by a delivery receipt (effective three (3) business days after such mailing), by overnight courier (effective the next business day), or hand delivery (effective upon such delivery), to the following notice addresses (as may be changed by written notice):

If to Licensee: B&C Communications, LLC  
Attention: William Smith, Managing Member  
155 Middle Plantation Lane  
Gulf Breeze, Florida 32561

If to Programmer: Watson Broadcasting, LLC  
Attention: Vernon Watson, Manager  
312 East Nine Mile Road  
Suite 29D  
Pensacola, Florida 32514  
[mr.vernon.vw@gmail.com](mailto:mr.vernon.vw@gmail.com) and  
[wbqp@wbqp.com](mailto:wbqp@wbqp.com)

8.6 Invalidity. If any provision of this Agreement or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent, the Parties shall negotiate in good faith and attempt to agree on an amendment to this Agreement that will provide the Parties with substantially the same rights, economic benefits and obligations, to the greatest extent possible, as the original Agreement in valid, binding and enforceable form.

8.7 Confidentiality. Both Parties shall keep this Agreement and its terms strictly confidential, and shall not provide a copy of this Agreement nor disclose its terms to any other person or entity outside their respective companies and their respective attorneys, accountants and other professional advisors, except as may be required by law.

8.8 Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement shall be effective and binding upon delivery of signatures by facsimile transmission.

8.9 Certifications. Licensee certifies that it shall maintain ultimate control over the Station's facilities, including but not limited to control over the finances, personnel and programming relating to its operation of the Station. Licensee and Programmer certify that this Agreement complies with Sections 73.3555(b), (c) and (d) of the FCC's rules.

8.10 Attorneys Fees. In the event of a dispute hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date first written above.

LICENSEE:

**B&C Communications, LLC**

By: 

William Smith  
Managing Member

PROGRAMMER:

**Watson Broadcasting, LLC**

By: 

Vernon Watson  
Manager