

## TIME BROKERAGE AGREEMENT

THIS TIME BROKERAGE AGREEMENT (this "Agreement") is made as of the 6<sup>th</sup> day of February, 2023 by and between **BAAZ BROADCASTING CORPORATION, a Washington corporation** ("Programmer") and **LOTUS BAKERSFIELD, a California corporation** ("Licensee").

### Recitals

A. Licensee is the licensee of KWAC, 1490 kHz, Bakersfield, California, Facility No. 35109 (the "Station").

B. Licensee and Programmer or Programmer affiliated entity are parties to an Asset Purchase Agreement dated August 12, 2022 (the "**Purchase Agreement**"), pursuant to which Licensee has agreed to sell certain assets of the Station to Programmer or Programmer affiliated entity on the terms and conditions to be agreed upon thereafter.

C. Programmer desires to acquire time on the Station in advance of consummation of the Purchase Agreement for its programming and advertising, subject to the limitations set forth herein and in accordance with the rules, regulations and policies of the Federal Communications Commission (the "FCC").

### Agreement

NOW, THEREFORE, taking the foregoing recitals into account and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Term. The term of this Agreement (the "Term") will begin on or before 12:01AM on February 7, 2023 (the "Commencement Date") and will continue for a term of two months until March 31, 2023, unless earlier terminated pursuant to this Agreement or consummation of the transactions contemplated by the Purchase Agreement.

2. Programmer's Purchase of Airtime and Provision of Programming. During the Term, Programmer shall purchase from Licensee airtime on the Station for the price and on the terms specified below, and shall transmit to Licensee programming (the "Program" or "Programs") for broadcast on the Station twenty-four (24) hours per day, seven (7) days per week, except for periods of regularly scheduled or necessary maintenance and excluding the period from 5:00 a.m. to 7:00 a.m. each Sunday morning on the Station (the "Licensee's Time"), at which time Licensee may, but is not required to provide programming to the Station (the "Broadcasting Period"). Licensee shall have the right to provide all programming and sell all advertising during the Licensee's Time and shall retain all revenues attributable to the Licensee's Time subject to the provisions herein pertaining to political advertising. Programmer will transmit, at its own cost, its Programs to the Station transmitting facilities via a mode of transmission (e.g., satellite facilities, microwave facilities and/or telephone lines) that will ensure that the Programs meet technical and quality standards reasonably acceptable to Licensee.

3. Broadcasting Obligations. In return for the payments to be made by Programmer hereunder, during the Term, Licensee shall broadcast the Programs delivered by Programmer

during the Broadcasting Period specified in Section 2 above, subject to the provisions of Section 6 below.

4. Advertising Sales; Accounts Receivable. Subject to the provisions herein which relate to political advertising, Programmer will be exclusively responsible for the sale of advertising on the Station and for the collection of accounts receivable arising therefrom, except with respect to the Licensee's Time, which shall be for the sole benefit of Licensee. Subject to the provisions herein with respect to political advertising, Programmer shall be entitled to receive all revenues of the Station arising or accruing from Programmer's sale of advertising during the Term. Licensee shall retain the right to all accounts receivable and other revenues of the Station arising, accruing or related to the period prior to the date hereof and for all revenues and accounts receivable relating to the Licensee's Time, both prior to and after the date hereof. All contracts for advertising on the Station that may be entered into by Programmer shall terminate upon the termination of this Agreement (other than a termination pursuant to Section (8) and shall be the sole responsibility and liability of Programmer.

5. Term Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will compensate Licensee as set forth on Schedule A attached hereto.

6. Operation, Ownership and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Station, it will have full authority, power and control over the operation of the Station. Licensee will bear the responsibility for the Station's compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (1) employ a General Manager for the Station, who will report to Licensee and will direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with Programmer, (2) employ another person of Licensee's selection for the Station, who will report and be solely accountable to the Station's General Manager, and (3) retain control over the policies, programming and operations of the Station. Nothing contained herein shall prevent Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b) substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local community. Licensee reserves the right to refuse to broadcast any Program containing matter which violates any right of any third party or which constitutes a "personal attack" as that term has been defined by the FCC. Licensee also reserves the right to refuse to broadcast any Program which does not meet the requirements of the rules, regulations, and policies of the FCC or the regulations and restrictions set forth in Section 10 hereof. Licensee further reserves the right to preempt any Program in the event of a local, state, or national emergency. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer. Programmer agrees to cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee's instructions. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. Upon any preemption of programming by Licensee,

Programmer shall be entitled to an adjustment of the TBA Fee in Schedule A equal to the lost revenue to Programmer resulting from that preemption. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review. Programmer agrees that neither it nor its agents, employees, consultants or personnel will 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 Programmer 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 the FCC rules, regulations and policies. Programmer shall provide Licensee with payola affidavits, substantially in the form attached hereto as Schedule C, signed by such of Programmer's employees and at such times as Licensee may reasonably request in writing, and shall notify Licensee promptly of any violations it learns of relating to the Act, including Sections 317 and 508 thereof.

7. Maintenance of Signal. Licensee has ultimate operating control of the Station. All general maintenance and technical matters shall be the responsibility of the Licensee.

8. Purchase Agreement. With respect to the Station, if not otherwise terminated in accordance with the terms hereof, this Agreement shall automatically terminate upon a Closing contemplated by the Purchase Agreement, or the earlier termination of the Purchase Agreement.

9. Music Licenses. Programmer shall not broadcast any material on the Station in violation of the Copyright Act or the rights of any person. All music supplied by Programmer shall be (i) licensed by the program provider or by a music licensing agent such as ASCAP, BMI, SESAC, or GMR; (ii) in the public domain; or (iii) cleared at the source by Programmer. Licensee shall not be obligated to pay any music licensing fees or other similar expenses required in connection with the material broadcast by Programmer on the Stations, provided that Licensee will maintain ASCAP, BMI, SESAC, and GMR music licenses if needed for the Station, subject to reimbursement by Programmer of all music license fees due for the Station under those licenses.

10. Programs.

10.1 Production of the Programs; Program Format. Programmer agrees that all of the programming, advertising and promotional material Programmer broadcasts on the Station shall be in compliance with the rules, regulations and policies of the FCC. All programming shall be subject to the regulations prescribed in Schedule B hereto. Programmer agrees that it will consult with Licensee in the selection of the Programs it transmits to Licensee to ensure that the Programs' content contains matters responsive to issues of public concern in the local communities, as those issues are made known to Programmer by Licensee. Licensee acknowledges that ownership of the Programs, and all parts thereof, and the right to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Programmer. Programmer shall timely provide to Licensee all programs and issues lists required to be uploaded to the Licensee's public access files. Failure to do so shall be a default hereunder.

10.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political time record keeping and lowest unit charge requirements of federal law. Licensee shall provide its existing procedures to Programmer to facilitate these requirements. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC and the provisions of *Section 315 of the Communications Act of 1934, as amended*; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

11. Expenses. During the Term, Programmer will be responsible for (i) the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs supplied to Licensee, (ii) the costs of delivering the Programs to Licensee, and (iii) all additional utility and costs which are not covered by the Licensee in the ordinary course of station operations. Licensee shall be responsible for (x) normal station operational costs such as utilities, telephone, taxes and insurance, (y) general signal maintenance and (z) all its personnel necessary for the management of the Station.

12. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Station or any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper Station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs it delivers for broadcast an announcement at the beginning of each hour of such Programs to identify such call letters, as well as any other announcements required by the rules and regulations of the FCC. Programmer is specifically authorized to use such call letters in its Programs.

13. Events of Default; Termination.

13.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement: (a) Programmer fails to make timely payments as provided for in Section 5 of this Agreement; (b) Programmer fails to observe or perform its other obligations contained in this Agreement in any material respect; or (c) Programmer breaches the representations and warranties made by it under this Agreement in any material respect; or (d) Programmer (as Purchaser) breaches its obligations under the Purchase Agreement.

13.2 Licensee Events of Default. The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement: (a) Licensee fails to observe or perform its obligations contained in this Agreement in any material respect; (b) Licensee breaches the representations and warranties made by it under this Agreement in any material respect, or (c) Licensee breaches its obligations under the Purchase Agreement.

13.3 Cure Period. Except with respect to the payment due pursuant to Section 5 (and Schedule A hereof) for which a five (5) calendar day cure period which does not require written notice from the Licensee shall apply, and notwithstanding Sections 13.1 and 13.2 hereof, a non-monetary Event of Default will not be deemed to have occurred until ten (10) business days after the non-defaulting party has provided the defaulting party with written notice specifying the Event of Default and such Event of Default remains uncured.

13.4 Remedies in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 13.3, the non-defaulting party may elect to exercise the following remedies:

(a) Subject to subparagraph (c) below, proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the defaulting party of the applicable covenants and terms of this Agreement or to recover damages for the breach thereof ; and/or

(b) Subject to subparagraph (c) below, immediately terminate this Agreement, If Programmer is the defaulting party Licensee may alternatively or in addition terminate Programmer's rights to use the Station air time furnished Programmer hereunder, whereupon all said rights of the Programmer shall cease and terminate, but Programmer shall remain liable as herein provided; and thereupon, Licensee may by its agents retake possession, use, and control of any Licensee facilities and equipment being made available hereunder and thenceforth hold, possess and enjoy the same free from any right of Programmer, or its successor or assigns, to use same for any purposes whatsoever, but Licensee shall nevertheless have a right to recover from Programmer any and all amounts which under the terms of this Agreement may be then due or which may have accrued to the date of such termination. If Licensee is the defaulting party, Programmer may terminate this Agreement, but Licensee shall remain liable as herein provided.

(c) If an event of default occurs, other than a nonpayment event as provided in Section 13.1 (a) above, and at the end of the cure period(s) otherwise provided herein with respect to such event, Programmer is diligently and in good faith attempting to cure such condition and the Licensee is indemnified hereunder by Programmer or, if not, Programmer agrees to indemnify and hold harmless Licensee with respect to such event, then the cure period hereunder shall be extended in order to allow Programmer to cure such condition; provided, however, that any extension of time hereunder shall be limited in case of any governmental or regulatory matters to time permitted by applicable laws , rules, regulations (including any permitted extensions).

13.5 Effect of Termination. Upon termination of this Agreement according to the provisions of this Section 13, (i) the Licensee shall have no further obligation to provide to Programmer any broadcast time or broadcast transmission facilities, (ii) the consideration provided for hereunder shall be applied to any amounts due Programmer pursuant to the terms of this agreement and (iii) Licensee shall not be obligated to assume any programming, advertising, trade or other obligations of Programmer. No termination pursuant to this Section 13 shall relieve any party of liability it would otherwise have for breach of this Agreement, including, without limitation, any action by Licensee for the collection from the Programmer of any unpaid balances due hereunder or for any damages resulting from a termination due to Programmer's

breach hereof. A termination of this Agreement due to Programmer's (a) failure to provide programming content to the Station and causing Licensee to resume programming the Station following notice and opportunity to cure as provided in Section 13.3 or (b) failure to remit any payments required pursuant to Schedule A herein following applicable cure period under Section 13.3 above shall also serve as an Event of Default pursuant to Section 10.1(f) of the Purchase Agreement.

14. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability that results from a breach by Programmer of any of its representations, warranties, covenants or agreements contained in this Agreement, or for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of the Programs on the Station. Licensee shall indemnify and hold Programmer harmless against any and all liability that results from a breach by Licensee of any of its representations, warranties, covenants or agreements contained in this Agreement, or for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of Licensee's programming on the Station. The obligations under this Section shall continue until the expiration of all applicable statutes of limitations and the conclusion and payment of all judgments which may be rendered in all litigation which may be commenced prior to such expiration.

15. Authority. Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization and is qualified to do business in all jurisdictions where the nature of its business requires such qualification, (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

16. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by all parties. No failure or delay on the part of Programmer or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other such right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

17. Assignability; No Third Party Rights. Neither this Agreement nor any rights or obligations hereunder may be assigned by Licensee or Programmer without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, if the Purchase Agreement is executed by an affiliate of Programmer, then the Programmer for this Agreement shall be deemed to be the

affiliated entity of Programmer. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, legal representatives, successors and assigns.

18. Construction. This Agreement will be construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

19. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

20. Notice. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any party pursuant to this Agreement shall be in writing and shall be mailed by first-class registered or certified mail, return receipt requested, postage prepaid, or delivered by overnight air courier, and shall be deemed to have been duly delivered and received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery, addressed as follows:

if to Licensee, then to:

Jay A. Levine, Senior Vice-President  
Jasmin Dorismond, Senior Vice-President  
Lotus Radio Corp.  
3301 Barham Boulevard, Suite 200  
Los Angeles, CA 90068  
Email: [headquarters@lotuscorp.com](mailto:headquarters@lotuscorp.com)

with a copy (which shall not constitute notice) to:

Mark B. Denbo, Esquire  
Smithwick & Belendiuk, P.C.  
5028 Wisconsin Avenue, N.W., Suite 301  
Washington, DC 20016  
Email: [mdenbo@fccworld.com](mailto:mdenbo@fccworld.com)

If to Programmer, then to:

Mr. Sukhdev S. Dhillon  
BAAZ Broadcasting Corporation  
26461 104th Ave SE  
Kent, WA 98030

with a copy (which shall not constitute notice) to:

Radiotvlaw Associates, LLC  
4101 Albemarle St. NW #324

Washington, DC, 20016-2151  
Attention: Anthony T. Lepore, Esq.

21. Entire Agreement. This Agreement, together with its schedules and other appendices, embodies the entire agreement, and supersedes all prior oral or written understandings, between the parties with respect to the subject matter of this Agreement.

22. Relationship of Parties. Neither the Programmer nor Licensee will be deemed to be the agent, partner, nor representative of the other party to this Agreement and neither party is authorized to bind the other to any contract, agreement, or understanding.

23. **Force Majeure; Casualty**. **The failure of either party hereto to comply with its obligations under this Agreement due to acts of God, strikes or threats thereof or a force majeure, or due to causes beyond such party's control, will not constitute an Event of Default under Section 13 of this Agreement and neither party will be liable to the other party therefor.** Upon the occurrence of any casualty loss, damage, or destruction material to the operation of the Station, Licensee shall use its reasonable efforts to promptly commence and thereafter to diligently proceed to repair or replace any such lost, damaged, or destroyed property, at its expense. During the Term hereof, Licensee shall use reasonable commercial efforts to maintain insurance upon all of the tangible personal property of the Station in such amounts and of such kind to cover the full amount of any loss with respect to such property and with respect to the operation of the Station, with insurers of substantially the same or better financial condition as are currently insuring that property.

24. Subject to Laws; Partial Invalidity. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee shall file a copy of this Agreement with the FCC to the extent required by FCC rules. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

25. Headings. The headings of the various provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

26. Successors and Assigns. Subject to the provisions of Section 17 above, this Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

27. Certifications.



(a) Licensee's Certification. Licensee hereby certifies that for the term of this Agreement it shall maintain ultimate control over the Station's facilities, including control over the Station's finances, personnel and programming, and nothing herein shall be interpreted as depriving Licensee of the power or right of such ultimate control.

(b) Programmer's Certification. Programmer hereby certifies that this Agreement complies with Section 73.3555 of the FCC rules in effect on the date hereof (but the parties acknowledge that the multiple ownership rules are under review and that no party makes any representation as to compliance if such rules change), that Programmer is qualified under the Act, and the rules, regulations and policies promulgated thereunder to be Commission licensee and that Programmer's attributable interest holders, as that term is defined by the FCC, are United States citizens.

(c) If necessary to comply with applicable law (including compliance by Programmer with any changes in the FCC's ownership rules or other compliance by the parties with FCC rules and regulations), the parties will modify this Agreement to effect compliance without depriving either party of the benefits of this Agreement in any material respect, unless such a modification is not possible, in which event this Agreement may be terminated as to such Station by either party by written notice to the other effective when compliance is required (after taking into account any grandfathering or grace period, if any).

**SIGNATURE PAGE TO FOLLOW**

**SIGNATURE PAGE TO KWAC (AM) TIME BROKERAGE AGREEMENT**

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

**LICENSEE:  
LOTUS BAKERSFIELD CORP.**

DocuSigned by:  
By: James Kalmenson  
Name: James Kalmenson  
Title: First Senior Vice President

**PROGRAMMER:  
BAAZ BROADCASTING CORPORATION**

DocuSigned by:  
By: Sukhdev Dhillon  
Name: Sukhdev Dhillon  
Title: President

SCHEDULE A

1. TBA Fee – the TBA Fee shall be:  
\$10.00 per month, prorated for partial months, commencing February 6, 2023, payable in advance on the first day of each month.
  
2. Operating Costs: In addition to the TBA Fee described above, Programmer shall reimburse the Licensee monthly (commencing with the month of February, 2023) in \$US Dollars for all actual costs it incurs in association with the operation of the Station as FCC Licensee, including, but not limited to, utilities, tower rents, insurance, licensing fees, FCC Regulatory Fees and all other items necessary and incident to the operation of the Station (collectively, the “Operating Costs”). Licensee shall monthly (on the final business day of each month) provide invoices to Programmer of all such Station Operating Costs received in the prior month and Programmer shall remit reimbursement for such invoices within ten (10) calendar days of receipt from Licensee. Programmer shall also reimburse Licensee for any repairs necessary for the Station(s) to continue licensed operations, which shall also constitute Operating Costs. “Operating Costs” shall not include (i) any inter-company charges; (ii) any capital expenditures for the Station; (iii) any expenses for any employees of Licensee; (iv) any expenses relating to Licensee’s studios; or (vii) any expenses due to casualty pursuant to Section 23. If the reimbursement payments are not received by the tenth (10th) calendar day after receipt of said request, the Programmer shall be deemed to be material default of this Agreement. Programmer and Licensee may agree to an estimated monthly amount for the Operating Costs which Programmer shall pay in advance each month and Licensee shall “true-up” with Programmer at the end of each month the actual Operating Costs versus the estimated payment through either invoicing Programmer for any Operating Costs that exceed the estimated payment or crediting Programmer for the following month for the sum that the actual Operating Costs were less than the estimated amount. All ongoing Operating Costs to be paid by Programmer shall be prorated as of the Commencement Date.

Estimated Monthly Expenses:

Total: \$

## **SCHEDULE B PROGRAMMING RULES AND POLICIES**

Programmer agrees to cooperate with Licensee in the broadcasting of programs of the highest possible standard of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs.

**1) CONTROVERSIAL ISSUES.** Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group or persons shall be made during the discussion of controversial issues or public importance; and during the course of political campaigns, programs are not to be used as a forum for editorializing about individual candidates. If such events occur, Licensee may require that responsive programming be aired.

**2) NO PLUGOLA OR PAYOLA.** The following business activities or "plugs", relating to the payment, acceptance of payment, agreement to pay or agreement to accept payment of money or other consideration is prohibited: (a) taking money, gifts or other compensation from any person for the purpose of playing any record or records on the air; (b) taking money, gifts or other compensation from any person for the purpose of refraining from playing any record or records on the air; (c) taking money, gifts or other compensation from any person for the purpose of promoting any business, charity or other venture without first informing the Station's General Manager, and (d) promoting any business venture which is unconnected with the Station on the air without first informing the General Manager.

**3) ELECTION PROCEDURES.** At least ten (10) days before the start of any primary or regular election campaign, Programmer will clear with the Station's general manager the rate Programmer 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.

**4) PROGRAMMING PROHIBITIONS.** Programmer 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) *Indecency.* Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

d) Marijuana. Any advertisements or promotional material regarding the sale or use of marijuana or marijuana related businesses.

**5) LOTTERIES, NUMBERS AND GAMBLING.**

a) Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited. This prohibition includes announcements with respect to bingo parties and the like which are to be held by a local church, unless expressly permitted by State law.

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

c) *No Numbers Games*. References to chapter and verse numbers, paragraph numbers, or song numbers which involve three digits should be avoided and, when used, must be related to the overall theme of the program.

**6) REQUIRED ANNOUNCEMENTS.** Programmer shall broadcast an announcement in a form satisfactory to Licensee the following Announcements:

a) *Station I.D.* At the beginning of each hour to identify Station.

b) *Programmer Sponsored Programming*. An announcement at the beginning and end of each broadcast day to indicate that program time has been purchased by Programmer.

c) Any other announcements that may be required by law, regulation, or Station policy.

**7) RELIGIOUS PROGRAMMING RESTRICTIONS.** Any programming broadcast by the Programmer is subject to the following restrictions:

a) *Respectful of Faiths*. The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.

b) *No Denominational Attacks*. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.

c) *Donation Solicitation*. Requests for donations in the form of a specific amount, for example, \$1.00 or \$5.00, shall not be made if there is any suggestion that such donation will result in miracles, cures or prosperity. However, statements generally requesting donations to support the broadcast or the church are permitted.

d) *No Ministerial Solicitations*. No invitations by the minister or other individual appearing on the program to have listeners come and visit him or her for consultation or the like shall be made if such invitation implies that the listeners will receive consideration, monetary gain, or cures for illness.

e) *No Miracle Solicitation*. Any invitations to listeners to meet at places other than the church and/or to attend other than regular services of the church is prohibited if the invitation, meeting, or service contains any claim that miracles, cures, or prosperity will result.

**8) MISCELLANEOUS.**

a) *Waiver.* Licensee may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest is served.

b) *Prior Consent.* In any case where questions of policy or interpretation arise, Programmer should submit the same to Licensee for decision before making any commitments in connection therewith.

## SCHEDULE C

### ANTI-PAYOLA / PLUGOLA AFFIDAVIT

I, \_\_\_\_\_, an employee of a subsidiary of BAAZ

BROADCASTING CORPORATION do hereby state and affirm the following:

(a) That I have read the notices posted at Radio Station KWAC (AM) (the "Station"), and have received copies of Section 73.1212 of the Federal Communications Commission's Rules and Regulations;

(b) That I have been fully informed and advised that it is a policy of the Station to fully comply with the above Rules of the Federal Communications Commission and the laws of the United States;

(c) That neither I nor any member of my immediate family have any present direct or indirect ownership interest in (other than an investment in a corporation whose stock is publicly held), serve as an officer or director or, whether with or without compensation, or serve as an employee of, any person, firm or corporation engaged in:

1) The publishing of music;

2) The production, distribution (including wholesale and retail sales outlets), manufacture or exploitation of music, films, tapes, recordings or electrical transcriptions of any program material intended for radio broadcast use;

3) The exploitation, promotion or management of persons rendering artistic, production and/or other services in the entertainment field;

5) The wholesale or retail sale of records intended for public purchase;

6) Advertising on Station, or any other station owned by its licensee (excluding nominal stockholdings in publicly owned companies).

(d) That I have not and will not:

1) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of playing any record or records on the air;

2) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of refraining from playing any record or records on the air;

3) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of promoting any business, charity or venture on the air without first informing the Station General Manager;

4) promote any personal business venture which is unconnected with the station without first informing the Station General Manager.

(e) That I have been advised and understand that failure to comply with the above rules and requirements will be grounds for my immediate dismissal without prior notice.

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Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

---

Notary Public

My Commission Expires: \_\_\_\_\_