

TIME BROKERAGE AGREEMENT

THIS AGREEMENT, effective as of October 10, 2012, by and between Panorama PA, Inc., a Pennsylvania corporation (hereinafter "Panorama" or "Licensee"); and KMCS Broadcasting LLC a Pennsylvania limited liability company, (hereinafter "Broker"):

WHEREAS, Licensee is authorized by the Federal Communication Commission (The Commission) to operate AM Broadcast Station WAZL, 1490-Khz, Hazleton, Pennsylvania (The Station); and

WHEREAS, Licensee wishes to sell to Broker and Broker wishes to purchase from Licensee substantially all of the broadcast time available on the Station; and

WHEREAS, the parties are desirous of adhering to all rules and regulations of the Commission;

NOW, THEREFORE, the parties agree as follows:

1. a) **Time to Be Brokered.** Commencing at 12:01 a.m. on October 1st 2012, and continuing until the date of Closing, Licensee shall sell to Broker and Broker shall purchase from Licensee the following broadcast time on the Station: all broadcast hours of the Station (the "Allotted Time"). For the term of this Agreement, Broker shall have the exclusive right to sell all commercial time within programming on the Station during the Allotted Time, whether national, regional or local in origin. Broker's rights under this Agreement are subject to the following:

- A. All advertising sold and advertising copy prepared for broadcast on the Station shall be subject to the unconditional "veto" of Licensee, which shall not be unreasonably exercised.
- B. Licensee is required by federal law to have the ultimate control and "veto" over any and all programming on the Station, and shall exercise the same in a commercially reasonable manner.

1. b) **Broker's Responsibility.**

Broker will ensure that the Station complies with all applicable laws and regulations pertaining to radio broadcasting, including but not limited to the following:

- I. Maintenance of the Station' local public inspection file (Public File) required by 47 C.F.R. section 73.3526;
- II. Ascertainment of the problems, interests and needs of the Station's service area and quarterly insertion of the so-called "issues and programs" lists in the Station' Public File;
- III. Presentation of programming responsive to community issues;
- IV. The giving of hourly Station identifications;
- V. Compliance with all applicable operating technical requirements stated in the Commission's Rules;
- VI. Compliance with those provisions of the communications Act of 1934, as amended, and the Commission's Rules pertaining to political broadcasting and personal attacks;

- VII. Compliance with those provisions of the Communication Act of 1934, as amended, and Commission's Rules pertaining to sponsorship identification, obscene and indecent programming and false and misleading advertising or programming;
- VIII. Supervision and direction of the employees of the Licensee (i.e., the General Manager and the Chief Engineer);
- IX. Control of finances of the Station; and
- X. Maintenance of the Station's main studio within the limits established by Section 73.1125 of the Commission's Rules as amended, effective February 16, 1999.

2. **Termination for Cause.** Licensee has the right to terminate this Agreement in the event that Broker:

- A. Engages in unfair or deceptive trade practices, unfair competition or employment discrimination in its management of the programming and sales efforts of the Station;
- B. Takes any action which is in violation of the Rules and Regulations of the Commission or the Communications Act of 1934, as amended, or which subjects the Station to a civil forfeiture under said regulations and/or Act;
- C. Causes to be broadcast any material which violates any other federal, state or local law or ordinance relating to the following: lottery broadcasts; tobacco advertising; liquor, beer or wine advertising; fortune telling; drugs or controlled substances; or interference with law enforcement authorities;
- D. Causes to be broadcast any material which contains any statements which are in violation of the following regulations:
 - I. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization;
 - II. No invitation by a minister or other individual appearing on a 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;
 - III. Any exhortation to listeners to bring money to a church affair or service is prohibited if the exhortation, affair, or service contains any suggestion that miracles, cures or prosperity will result;
 - IV. The offering for sale of religious artifacts or other items for which listeners would send money is prohibited unless such items are readily available in ordinary commerce or are clearly being sold for legitimate fund-raising purposes;
 - V. Any invitations to the audience to meet at places other than the church and/or to attend other than regular services of the church are prohibited if the invitations, meeting, or service contain any claim that miracles, cures or prosperity will result;

- VI. Any claims of miracles or cures not documented in biblical scripture and quoted in context are prohibited; e.g., this prohibits the minister and/or other individual appearing on the program from personally claiming any cures or miracles and also prohibits the presentation of any testimonials regarding such claims either in person or in writing;
 - VII. The mention of any business activity or “plug” for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited;
 - VIII. References to “dream books”, the “straight line”, or other direct or indirect descriptions or solicitations relative to the ‘numbers game’, or the “policy game”, or any form of gambling other than a state lottery or licensed horse or greyhound race track supplied and paid for by the state lottery agency or racing commission licensee are prohibited;
 - IX. References to chapter and verse numbers, paragraph numbers, or song numbers which involved three digits should be avoided and, when used, must relate to the overall theme of the program; and/or;
 - X. The following programs or announcements shall not be broadcast whatsoever: A.) false or unwarranted claims for any product or service; B.) infringements of another advertiser’s rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition; C.) any programs or announcements that are slanderous, obscene, indecent, profane, vulgar, repulsive or offensive, either in theme or in treatment; D.) any testimonials which cannot be authenticated; and E.) any advertising matter or announcement which may in the opinion of Licensee be injurious or prejudicial to the interests of the public, or honest advertising and reputable business in general.
- E. Disobeys any reasonable and lawful direction from Licensee.

3. **Facilities.** During the term of this Agreement, Licensee will insure that its broadcasting transmission facilities for the Station remain available for the broadcasting of programs at the maximum power permitted by the Station’s license, and without any degradation of sound or signal other than may be caused by normal terrain or atmospheric factors.

4. **Compensation.** The consideration to be paid by Broker to Licensee is \$500.00 per month or pro rata portion thereof net payable on or before the 1st of each month, commencing October 1, 2012 as its TBA Fee (exclusive of the purchase price.)

5. **Broker’s Payment of Expenses.** Broker will bear the following expenses incurred by the Station in connection with programming, sales and promotions provided by Broker, and will remit payment within ten (10) days of being presented with any related statement or invoice. This includes:

- A. All compensation paid to all personnel provided to the Station by Broker, including salaries, payroll taxes, payroll service fees, payroll related deductions,

insurance provided as an employee benefit, worker's compensation, and pension plans, if any;

- B. All sales commissions due to sales people and to station representatives and/or advertising agencies acting on behalf of Broker;
- C. All fees paid for programming, new and/or sales support services related to Broker's provision of programming, sales services and traffic services;
- D. All costs of promotions and advertising for the Station; and
- E. All music licensing fees (i.e., BMI, ASCAP, NAB) incurred as a result of Broker's programming appearing on the Station.
- F. Outside contractors, including but not limited to sports broadcasters and station engineers.
- G. All utilities, including but not limited to telephone, cable modem office, tower electricity, cable modem tower.
- H. A prorated amount for accounting services pertaining to the Station.
- I. Tower lease expense of \$765 per month or pro-rata portion thereof.
- J. Any other expenses related to the operation of the Station including upgrades to FCC rules and compliance so that the compensation received by Licensee set forth in Paragraph 4 herein is net of any expenses.

6. **Insurance.** Broker shall during the term of this Agreement and at Broker's expense, carry public liability insurance with at least One Million and 00/100 (\$1,000,000.00) Dollars for bodily injury (including death), and at least One Million and 00/100 (\$1,000,000.00) Dollars property damage limits, with Licensee named as loss payee. Also, Broker shall during the term of this Agreement and at Broker's expense, maintain fire and other casualty insurance against loss or damage to the Station, and its trade fixtures, furnishings, operating equipment, personal property and other personal property, for a minimum One Hundred Thousand and 00/100 (\$100,000.00) Dollars replacement cost policy one hundred percent to value, naming the Licensee as loss payee. Broker further agrees to exhibit such policies or certificates of such policies to Licensee upon Licensee's request and agrees that such policies shall not be subject to cancellation or modification unless thirty (30) days prior written notice of such cancellation or modification is first provided Licensee.

7. **Special Events.** Licensee reserves the right, in its discretion, to provide news, public affairs and other non-entertainment programming to meet its obligation to the Commission to serve the public interest, convenience and necessity. In addition, Licensee reserves the right to require Broker to broadcast special events of importance to the public within the Station's primary service contours. In all such cases, Licensee will use its best efforts to give Broker at least fourteen days' notice of its intention to require such broadcasts.

8. **Payola.** Broker represents that neither it nor its employees, contractors or agents will accept any compensation or any type of gift or gratuity of any kind whatsoever, regardless of its value or form, including but not limited to, a commission, discount, bonus, materials, supplies or other merchandise, services or labor, whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the payer is identified in the program as having paid for or furnished such consideration in accordance with the

Communication Act of 1934, as amended, and/or the Rules and Regulations of the Commission. Broker agrees to provide upon request of Licensee an affidavit or affidavits containing representations that Broker and all of its employees, contractors or agents are aware of the Station' "payola" policy and will abide by it.

9. **Representations of Licensee.** Licensee makes the following representations which it agrees are material in inducing Broker to enter into this Agreement:

- A. That Licensee is a Pennsylvania corporation with all requisite legal and mental capacity to enter into this agreement, and that it has taken such actions as are necessary to enter into this Agreement and to be bound according to its terms;
- B. That this Agreement constitutes the legal, valid and binding obligation of Licensee enforceable in accordance with its terms;
- C. That the license for the Station have been validly issued by the Commission, are valid and outstanding, subject to its normal expiration on August 1, 2014;
- D. That there are no agreements in existence pertaining to the Station which would prevent or hinder Licensee from performing under this Agreement; and
- E. That there are no administrative, civil or criminal legal actions, pending or threatened, affecting the Station.

10. **Representations of Broker.** Broker makes the following representations which it agrees are material in inducing Licensee to enter into this Agreement:

- A. That Broker is a Pennsylvania Corporation with all requisite legal and mental capacity to enter into this agreement, and that it has taken such actions as are necessary to enter into this Agreement and to be bound according to its terms; and
- B. That this Agreement constitutes the legal, valid and binding obligation of Broker enforceable in accordance with its terms.

11. **Labor Agreements.** It is expressly agreed and understood that Licensee is not a party to any labor or union agreement. Licensee has neither hired any labor nor promised any employment or independent contractor positions at the Station to anyone.

12. **Assignability.** Broker may not assign this Agreement to anyone or any entity without the prior written consent of the Licensee having been obtained.

13. **Costs of Collection; Reasonable Attorney's Fee.** Should Licensee or Broker be forced to engage a collection agency or an attorney to enforce its rights under this Agreement, including the right to be paid hereunder, the prevailing party shall be entitled for costs incurred, including reasonable attorney's fees. In the event that Licensee or Broker is required to retain an attorney to bring suit in a court of competent jurisdiction in order to enforce their respective rights hereunder, the prevailing party shall be entitled to collect from the other reasonable attorney's fees.

14. **Notices.** All notices required or permitted to be given hereunder shall be in writing and copies shall be effective when sent either by facsimile or by registered or certified mail, postage and fees prepaid, addressed as follows:

If to Licensee:

Panorama PA, Inc.
600 South Poplar Street
Hazleton, PA 18201
Attention: Alexander Slood
Telephone: 570-459-1010
Facsimile: 570-459-6004

With a copy to:
David L. Glassberg, Esquire
Glassberg & Doganiero
81 North Laurel Street
Hazleton, PA 18201
Telephone: 570-455-8534
Facsimile: 570-455-3457

If to Broker:

KMCS Broadcasting LLC
c/o Michele Medek
102 Wyndgate Blvd.
Drums, Pa. 18222

15. **Headings.** The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify, interpret or construe the meaning of the provisions hereof.

16. **Entire Agreements.** This Agreement constitutes the entire and whole agreement of the parties respecting the time brokerage agreement for the Station, and may not be modified, amended or changed in any way unless in writing signed by all of the parties hereto. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

17. **Successors and Assigns.** This agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. An assignment shall not relieve the parties of their obligations to guarantee the prompt performance of any and all of the obligations hereunder.

18. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Pennsylvania. Judicial forum for any disputes hereunder shall be the courts of Luzerne County, Pennsylvania.

19. **47 C.F.R Section 73.3555 (a) (3) (ii) Certification.** Licensee hereby verifies that, any provision of this Agreement notwithstanding, it maintains ultimate control over the Station' facilities, including specifically control over the Station' finances, personnel and programming. Broker hereby verifies that its relationship with the Station complies with the provisions of Section 73.3555 (a) of the Commission's Rules, which governs the maximum number of commercial broadcast Station in which one party may have an attributable interest.

20. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding Agreement when the parties shall have each executed one counterpart.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE

PANORAMA PA, INC.

By: 

Name: Alexander Slood

Title: President

KMCS Broadcasting LLC.

By: 

Name: Michele Medek

Title: Managing Member