

LOCAL MARKETING AGREEMENT

LAKE POWELL COMMUNICATIONS, INC., an Arizona Corporation ("Licensee") and **SOUTHWEST BROADCASTING, LLC**, an Arizona Limited Liability Company ("Programmer"), hereby agree, this 3rd day of November 2023, to enter into this **LOCAL MARKETING AGREEMENT** (the "LMA") under the terms and conditions specified herein. The parties hereto are collectively and individually referred to herein as the Parties.

WITNESSETH:

WHEREAS, Licensee owns and operates radio Station's KXAZ-FM, Page, Arizona, (Facility ID# 36340) and KPGE-AM, Page, Arizona (Facility ID# 36349) (the "Station's");

WHEREAS, Programmer desires to acquire time on the Station's for the provision of programming and the generation of advertising sales;

WHEREAS, Licensee desires to accept the programming produced by Programmer and to make broadcasting time on the Station's available to Programmer on terms and conditions which conform to the FCC Rules and to this LMA;

WHEREAS, this LMA complies with the local and national multiple Station's ownership and audience reach limitations of Section 73.3555 and the program duplication limitations of Section 73.3556 of the rules and regulations of the Federal Communications Commission (the "FCC" or "Commission").

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in light of the mutual promises and covenants contained herein, Licensee and Programmer hereby agree, as follows:

1. **Use of Station's Facilities.** Upon the Commencement Date of this LMA, Licensee will, subject to the terms and conditions of this LMA, make available to Programmer the broadcast transmission facilities of the Station's on a twenty-four (24) hour per day, seven (7) day per week basis for carriage on the Station's of programs produced and/or selected by Programmer and advertising messages delivered by Programmer provided that any and all programming material proffered by Programmer for carriage on the Station's will be in material compliance with any and all applicable laws and governmental regulations, including but not limited to the Communications Act of 1934, as amended (the "Act"), and the rules and regulations of the FCC.

2. **Insertion of Commercials.** Programmer shall have the unilateral and exclusive right to insert commercial matter in programming proffered for carriage on the Station's under Paragraph 1 of this LMA at such rates or shared rates as Programmer, in the exercise of its unilateral discretion, deems appropriate. Programmer shall have sole responsibility for the billing and collection of fees and other charges for all commercial matter aired on the Station's during the term of this LMA.

KXAZ-FM & KPGE-AM License Agreement
Southwest Broadcasting, LLC ("Programmer")
Page, Arizona 86040

3. **Programming.**

(a) **Program Standards.** All programming shall be prepared and presented in conformity with the Standards described in Exhibit A hereto. All Programs supplied by Broker shall be prepared, written and broadcast in conformity with the rules, regulations and policies of the Federal Communications Commission ("FCC"), including state and local law to the extent necessary, and shall also be prepared, written and broadcast in conformity with the Licensee's regulations and restrictions set forth in Exhibit A. *The Licensee reserves the right to refuse to broadcast, suspend or cancel any Programs which do not, in the Licensee's sole discretion, determined in good faith, maintain a quality consistent with such laws and policies.* In no instance will the Broker represent, suggest or otherwise give the impression over the broadcast airwaves or otherwise, that Broker has any ownership of, control over or connection with the operation of the Station.

(b) **Responsive Programming.** Licensee shall retain the right and responsibility to air programming it deems reasonably responsive to the needs and interests of Page, Arizona and the surrounding service area. To exercise its rights under this sub-Paragraph, Licensee shall deliver its advance written notice(s) to Programmer advising Programmer of relevant Public Service Announcements ("PSAs"), local news items, or other material deemed essential to Licensee's compliance with the Act, FCC rules and policies, or the public interest with the understanding that, absent the need for a broadcast under the Emergency Alert System ("EAS") or other emergency matters, Licensee will provide Programmer at least seven (7) days prior notice of the time it requests for the insertion of PSAs, local news items, or other public interest material.

(c) **Equal Opportunities and Personal Attack Requests.** Licensee will forward to Programmer, within two (2) business days, any and all requests which Licensee receives for the purchase of airtime by qualified candidates for Federal office, requests for equal opportunities by legally qualified candidates, requests to respond to personal attacks over the Station's, and requests by legally qualified candidates for a right to respond to political editorials.

4. **Term.** The term of this Agreement shall commence on the above-referenced effective date and, unless sooner terminated in accordance with the terms hereof, shall continue until the assignment of the Station's license from the Licensee to the Buyer is consummated. Notwithstanding the foregoing, either party may terminate this Agreement if an FCC license assignment application proposing the sale of the Station to the Buyer has not been filed within six (6) months.

5. **Expenses.** The Parties shall be responsible for the following expenses during the term of the LMA, respectively:

(a) **Licensee.** Without limitation, Licensee shall have sole responsibility on and after the Effective Date of this LMA to submit payment for:

(i) Any and all personnel expenses, including but not limited to: salary, payroll taxes, and benefits incurred by or for Licensee's employees;

(ii) Any and all rental and/or mortgage expenses for the Station's transmitter site, studio and offices, and any equipment purchase and/or lease payments;

(iii) Any and all utility bills, (gas, water, telephone [other than toll charges or listener call-in lines], and electricity) rendered at or in conjunction with the Station's studios, offices, and transmission facilities;

(iv) Payment of all taxes, licenses, and other governmental fees necessary for the lease, use, and ownership of the Station's facilities to include without limitation FCC Regulatory Fees;

(v) Insurance to cover loss of or damage to the Station's facilities and general liability insurance with Programmer named as an additional insured on said policy(ies); and

(vi) Necessary replacement and general maintenance of the Station's transmission, production, and office equipment, furnishing, and fixtures, provided that such replacement and/or repair is not caused by Programmer's negligence or misuse of same.

(b) Programmer. Without limitation, Programmer shall have sole responsibility after the Commencement Date for the following:

(i) Any and all expenses incurred in the production or distribution of programming to be aired on the Station's (other than PSAs, news items, and other material inserted at the request of Licensee), including but not limited to air talent, satellite network expenses or fees, and production of commercials;

(ii) Any and all expenses associated with the sale of commercial time in programming aired on the Station's, including but not limited to commissions to sales personnel, agencies, and broadcast representatives (collectively "Sales Costs"), promotional costs, and other marketing materials;

(iii) Payroll taxes for Programmer's personnel used in the provision of programming and commercial matter contemplated herein ("Payroll Taxes"); and

(iv) Any and all fees charged by ASCAP, BMI, and SESAC ("Music Licensing Fees") for programming aired after the Effective Date of this LMA.

(v) The payment to Licensee of Five Hundred Dollars (\$500.00) per month for the reimbursement of the monthly tower lease payments for the Stations.

6. **Control of Station's**. Notwithstanding anything in this LMA to the contrary, Licensee shall at all times retain, and hereby so certifies that it has, ultimate control over the Station's operation, including but not limited to its finances, personnel, and programming. Licensee will also maintain the online public inspection file which will include all items required to be retained under FCC rules and policies, including but not limited to this LMA. Licensee shall retain the

right to reject any programming proffered by Programmer under this LMA if, in the sole opinion of Licensee, such programming is in violation of any applicable law, governmental policy or rule, or otherwise inconsistent with the public interest. Licensee shall also prepare the Quarterly Issues –Programs Lists and post such lists into the respective Station's Online Public Inspection File. The Licensee hereby designates Janet Brown as the General Manager responsible for the day-to-day oversight of the Station's broadcast operations.

7. **Personnel.** The Licensee will provide, and be responsible for, the Station's personnel necessary for the management and operation of the Station's other than programming and programming personnel, and will be responsible for the salaries, taxes, and related costs for such Station personnel. Whenever on the Station's premises, all personnel, whether that of the Licensee or of Programmer, will be subject to the supervision and the direction of the Licensee. Licensee will maintain a designated Chief Operator, and such other personnel as Licensee deems necessary and appropriate for the operation of the Station's in the public interest, consistent with the FCC Rules.

8. **Force Majeure.** Licensee shall not be liable to Programmer or be deemed to be in breach of this LMA for any malfunction of the Station's facilities, or for any delay or interruption in the broadcast of programming proffered by Programmer, due to acts of God, strikes or threats thereof, or other causes beyond the control of Licensee.

9. **Retention of Broadcast Rights.** Programmer shall retain whatever copyrights and other retransmission rights it has to and in any and all programming proffered for carriage on the Station's, and no programming supplied to Licensee pursuant to this LMA shall be rebroadcast, copied, or made available for any other use without the prior written consent of Programmer.

10. **Indemnification.**

(a) Programmer hereby agrees to indemnify and otherwise hold Licensee harmless against all liability for libel, slander, illegal competition, or trade practices; infringement of trademarks, trade names, or program titles; and infringement of copyrights and proprietary rights resulting from the carriage of programming supplied by Programmer over the Station's broadcast transmission facilities. Licensee shall have the right to refuse to broadcast any programming proffered by Programmer under this LMA which, in the reasonable opinion of Licensee, contains matter which is or may be in violation of any right of any third party or constitute a personal attack under FCC policy and rules.

(b) Licensee agrees to indemnify and hold Programmer and the property of Programmer free and harmless from any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys' fees and expenses, of any kind and description, contingent or otherwise (the foregoing hereinafter collectively referred to as "Damages"), occasioned by, arising out of, or resulting from the operation of the Station's prior to and/or subsequent to the Commencement Date.

11. **Representations.**

(a) Joint Representations. The Parties represent to each other that they are each legally qualified, authorized, and otherwise able to enter into this LMA.

(b) Licensee Representations. Licensee represents (i) that it has all licenses and other authorizations from the FCC and other governmental authorities necessary to operate the Station's as currently operated and (ii) that it is not aware of any investigation, complaint, petition, objection, or other event, existing or threatened, which, if acted on in a manner adverse to Licensee, would have a material adverse impact on the Station's FCC authorizations or the Station's current operations.

12. Events of Default.

(a) Definition of Default. The following shall each constitute, after the expiration of any applicable cure period, an Event of Default:

(i) Breach of Representation. If any representation or warranty made in this LMA by any Party, or in any certificate or document furnished pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

(ii) Breach of Covenants. A Party is in material breach of any obligation or representation assumed or made under this LMA, including but not limited to, compliance with the Act and FCC rules and policies.

(iii) Breach of Programmer's obligation to reimburse Licensee the sum of Five Hundred Dollars (\$500.00) each month for the monthly tower lease costs of the Stations.

(iv) Insolvency, Bankruptcy, Liquidation. If either party shall become insolvent or unable to pay for its debts as they mature, or shall file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an Answer admitting to the jurisdiction of any Bankruptcy Court or other sovereign, and the material allegations of an involuntary petition, pursuant to any act of Congress relating the bankruptcy or any act purporting to be amendatory thereof, or shall be adjudicated bankrupt, or shall make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its assets, or shall apply for or consent to or suffer the appointment of any receiver or trustee for it or a substantial part of its property or assets; --- then, subject to the cure rights of that party set forth immediately below, the other party shall have the right to terminate the term of this Agreement upon notice thereof to the other party.

(b) Cure Periods. An Event of Default shall not be deemed to have occurred until the expiration of ten (10) business days after one Party has provided the other Party with written notice specifying the event or events that, if not cured, would constitute an Event of Default, and the Party in receipt of such notice has not cured the default or otherwise demonstrated that there is no default.

(c) **Termination upon Default.** In the event of the occurrence of an Event of Default, either Party may terminate this LMA without further liability to the other Party.

13. **Finders, Consultants, and Programmer.** The Parties hereby represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this LMA.

14. **Waivers.** No waiver or delay by a Party of any provision of this LMA shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this LMA or at law shall not prevent the exercise by that Party of any other remedy provided in this LMA or at law.

15. **Governing Law.** This LMA shall be construed in accordance with the laws of the State of Arizona with consideration given to the rules and policies of the FCC.

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

17. **Successors and Assigns.** This LMA shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding the foregoing, neither party may assign its rights or obligations to a third party without the express written consent of the other party.

18. **Counterpart Signatures.** This LMA may be signed in one or more counterparts, all of which shall be deemed to be a single LMA, binding on the Parties hereto.

19. **Notice.** Any notice required or allowed under this LMA shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested (postage prepaid), or sent by an overnight delivery service (charges prepaid), and addressed to the following:

(a) If to Licensee:

Janet Brown, President
Lake Powell Communications, Inc.
101 Monte Rey Drive
White Rock, NM 87547
Email: janet@kxaz.com

(b) If to Programmer:

Vance R. Barbee, Managing Member
Southwest Broadcasting, LLC
140 E Deuce of Clubs, STE A
Show Low, AZ 85901

Email: vance@southwestbroadcasting.com

or to any other address as the Parties may from time to time designate in writing.

20. **Entire LMA.** This LMA embodies the entire understanding between the Parties and supersedes any and all prior and contemporaneous LMAs, representations, warranties, or understandings, oral or written, between the Parties with respect to the subject matter hereto. This LMA may be modified only by a document executed by both Parties.

21. **Severability.** If any provision in this LMA is held to be invalid, illegal, or unenforceable, this LMA shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein, provided that the provision held to be invalid, illegal, or unenforceable is not central to the purpose of the LMA to afford Programmer the right to supply programming to be aired on the Station's for consideration.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties have executed this Local Marketing LMA as of the date first above written.

LICENSEE:
LAKE POWELL COMMUNICATIONS, INC.

BY: 

Janet Brown, President

KNAZ-FM & KPGH-AM Local Marketing Agreement
Southwest Broadcasting LLC - Lake Powell
Communications Inc.

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PROGRAMMER:
SOUTHWEST BROADCASTING, LLC

BY: 

Vance R. Barbee, Managing Member

EXHIBIT A PROGRAM STANDARDS

SOUTHWEST BROADCASTING, LLC, an Arizona Limited Liability Company ("Programmer"), agrees to cooperate with **LAKE POWELL COMMUNICATIONS, INC.**, an Arizona Corporation ("Licensee") and owner of broadcast radio Station's KXAZ-FM and KPGE-AM, Page, Arizona, (the "Station's"), in the broadcasting of programs of the highest possible standards of excellence and for this purpose to observe the following standards in the preparation, writing, and broadcasting of its programs:

1. **Respectful of Faiths.** The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.
2. **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.
3. **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 of persons shall be made during the discussion of controversial issues of 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.
4. **Donation Solicitation.** Requests for donations in the form of a specific amount, for example, "One Dollar to Five Dollars", 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 a church or other charity are permitted.
5. **Sale of Religious Artifacts.** 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.
6. **No Plugola or Payola.** 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.
7. **No Lotteries.** Announcements giving any information about lotteries or games prohibited by Federal or State law or regulation are prohibited.
8. **No "Dream Books".** 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 other form of gambling prohibited under local, State, or Federal law are prohibited.
9. **Election Procedures.** At least ninety (90) days before the start of any primary or regular election campaign, Programmer will clear with Licensee's Manager the rate Programmer will charge for the time to be sold to candidates for the public office and/or their supporters to

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make certain that the rate charged conforms to the applicable law and Station's policy.

10. **Commercial Limitations.** With respect to any given segment of airtime hereunder, the amount of commercial matter shall not exceed sixteen (16) minutes during any sixty (60) minute segment with the exception of so-called "infomercials" which shall be appropriately logged and recorded on the Station's traffic logs. Programmer will provide, for attachment to the Station's logs, a list of all commercial announcements for its programming.

(a) Programmer shall cause to be included on all advertising or sponsorship contracts certification substantially as follows: "*NON-DISCRIMINATION POLICY: [Insert name of broadcaster] and its Station's[s] do not discriminate in underwriting or sponsorship contracts on the basis of race or ethnicity. Any provision in any order or LMA for underwriting or sponsorship that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of a particular contract, is hereby rejected.*"

11. **Required Announcements.** Programmer shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station's, (ii) an announcement at the beginning and end of each program to indicate that program time has been purchased by Programmer, and (iii) any other announcement that may be required by law, regulation, or Station's policy.

12. **Credit Terms Advertising.** Pursuant to rules of the Federal Trade Commission, no advertising of credit terms shall be made over the Station's beyond mention of the fact that, if desired, credit terms are available.

13. **Commercial Record Keeping.** Programmer shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly, from any person or company for the presentation of any programming over the Station's without reporting the same in advance to and receiving the prior written consent of Licensee's Manager. No commercial messages ("plugs") or undue references shall be made in programming presented over the Station's to any business venture, profit making activity, or other interest (other than noncommercial announcements for bona fide charities, church activities, or other public service activities) in which Programmer (or anyone else) is directly or indirectly interested without the same having been approved in advance by Licensee's Manager and such broadcast being announced, logged, and sponsored.

14. **No Illegal Announcements.** No announcements or promotion prohibited by Federal or State law or regulation of any lottery or game shall be made over the Station's. Any game, contest, or promotion relating to or to be presented over the Station's must be fully stated and explained in advance to Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion.

15. **Discretion Paramount.** In accordance with Licensee's responsibilities under the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station's which is in conflict with Station's policy or which in Licensee's or its General Manager's sole judgment would not serve the public interest.

16. **Programming Prohibitions.** Programmer shall not broadcast any of the following programs or announcements:

- (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 disparagement of competitors or competitive goods.
- (d) Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or treatment.
- (e) Any price mentions except as permitted by Licensee's policies current at the time.
- (f) Any testimonials which cannot be authenticated.
- (g) Any continuity which describes in a repellent manner internal bodily functions or symptomatic results of internal disturbances, and no reference to matters which are not considered acceptable topics in a social setting.
- (h) Any advertising matter or announcement which may, in the opinion of Licensee, be injurious or prejudicial to the interests of the public, the Station's, or honest advertising and reputable business in general.
- (i) 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.

17. **Medical Cannabis/Marijuana.** At this time, Medical Cannabis/Marijuana advertising is not permitted on a Federal level and therefore is against FCC rules to advertise Medical Cannabis/Marijuana on a Federally licensed radio Station. This is subject to change. CDB oil advertising is currently permitted only as long as there are no claims to its benefits.

[End]