

LOCAL MARKETING AGREEMENT

SUNNYLANDS BROADCASTING, LLC, a Washington limited liability company (“Licensee”) and IGLESIA PENTECOSTAL VISPERA DEL FIN, a Washington non-profit corporation (“Programmer”) agree, this 6th day of August, 2021, to enter into this LOCAL MARKETING AGREEMENT (this “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 the following radio broadcast stations (the “Stations”):

- (a) KHCV (FM), Mecca, California, Facility ID# 191492; and
- (b) K226BT, Indio, California, Facility ID# 140886

WHEREAS, the Parties have entered into an Asset Purchase Agreement dated as of August 6, 2021 (the “Purchase Agreement”), pursuant to which Programmer as “Buyer” would acquire certain assets used and useable in the operation of the Stations subject to the consent of the Federal Communications Commission (the “FCC” or “Commission”) on terms and conditions contained therein;

WHEREAS, Programmer desires to acquire time on the Stations 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 Stations available to Programmer on terms and conditions which conform to the FCC Rules and to this LMA; and

WHEREAS, this LMA and the transaction hereby represented is intended to comply with the rules and regulations of the FCC.

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. Commencement Date and Term.

(a) This LMA shall become effective as of the date hereof (the “Effective Date”) and Programmer’s operations shall commence on August 15, 2021, or at such other date the Parties shall agree upon (the “Commencement Date”).

(b) This LMA shall remain in place for one (1) year Commencement Date (“LMA Period”), unless (i) extended by mutual agreement of the Parties or (ii) superseded by a sale of the Stations to Programmer or (iii) otherwise terminated.

2. Use of Station Facilities. Upon the Commencement Date, Licensee will, subject to the terms and conditions herein, make available to Programmer the broadcast transmission facilities of the Stations on a twenty-four (24) hour per day, seven (7) day per week basis for carriage on the Stations of programming content produced and/or selected by Programmer and delivered by Programmer provided that any and all programming material proffered by Programmer for carriage on the Stations 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.

3. Advertising and Program Sponsorships. Programmer shall have the exclusive right to solicit advertising and/or program sponsorships subject to the Licensee's reasonable exercise of its ultimate authority as required by the FCC's Rules and the Communications Act of 1934, as amended (the "Act"). Programmer shall have sole responsibility for the billing and collection of fees and other charges for all matter aired on the Stations pursuant to this LMA.

(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] do not discriminate in underwriting or sponsorship contracts on the basis of race or ethnicity. Any provision in any order or agreement 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."*

4. Programming.

(a) Standards and Practices. All programming shall be prepared and presented in manner that conforms with Standards and Practices established by Licensee to comply with its public interest obligations, FCC Rules and the Act. Licensee shall provide Programmer, from time to time, with written guidance as to such Standards and Practices.

(b) Responsive Programming. Licensee shall retain the right and responsibility to have the Stations air programming it deems reasonably responsive to the needs and interests of the Station's community of license, and the surrounding service areas ("Responsive Programming"). Licensee shall deliver advance written instructions(s) to Programmer at least at least seven (7) days prior to the airing of Responsive Programming, including but not limited to Public Service Announcements ("PSAs"), local news items, or other material deemed essential to Licensee's compliance with the Act, FCC rules and the public interest except when such Responsive Programming shall be broadcast in an emergency situation. Emergency situations include, but are not limited to, programming in response to activation of the Emergency Alert System,

(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 Stations, and requests by legally qualified candidates for a right to respond to political editorials.

(d) Issues and Programs Reports. Programmer will on a regular basis, not less frequently than quarterly, provide programming information regarding those significant issues found in the community and the programs that addressed them. These reports will be used by

Licensee to fulfill its FCC obligation to publish, quarterly, the Issues and Programs Report to the Stations' Online Public Information Files.

5. Termination.

(a) This LMA shall terminate upon the earlier of (i) the consummation of the Purchase Agreement or (ii) the termination of this LMA by mutual consent, an event of default, or upon the expiration of this LMA, without extension, at the end of the LMA Period or any extensions thereof.

(b) In the event Programmer abandons its operations prior to the end of the Term of this LMA, Programmer shall be obligated to pay to Licensee any LMA Fees remaining to be paid during the Term of this LMA as liquidated damages subject to any offsets including: (i) the retention of operating equipment and/or software acquired by Programmer as a part of its operations and (ii) revenues coming to the Licensee during the LMA period, after such abandonment, through other uses of the Station or by sale of any of the Station to third parties after accounting for all debts the Programmer owes to the Licensee related to the Station.

6. Consideration and Payment.

(a) During the Term of this LMA, Programmer shall pay to Licensee the monthly LMA Fee set forth in Exhibit 1 to this LMA. Monthly payments shall be due and payable on the first day of each month herein. This LMA Fee is separate from the Operating Expenses.

(b) In addition to the monthly LMA Fees, Programmer shall reimburse Licensee for those Operating Expenses which must remain under Licensee's control. Reimbursements shall be made monthly within five (5) days of presentment of original invoices and/or bills, and Licensee shall be entitled to reimbursement for expenses and expenditures including but not limited to expenses associated with operations described in Section 9 (a) (i-v) below and all other standard and customary operating expenses, an estimated schedule of which is attached hereto at Exhibit 2. All such expenses shall be agreed upon by the Parties as of the Commencement Date of this LMA and reviewed and adjusted from time to time as the Parties find necessary to reflect the actual expenses incurred.

7. [Intentionally Deleted]

8. Pro-rations. Operating Expenses associated with the Stations shall be pro-rated to the Commencement Date of this LMA. Operating Expenses of the Station and any income, expense, and liabilities attributable thereto through the Commencement Date shall be for the account and obligation of Licensee and thereafter for the account and obligation of Programmer. Expenses including, but not limited to, such items as power and utilities charges, property taxes, rents, commissions, leases and agreements, and similar prepaid and deferred items shall be prorated between Licensee and Programmer in accordance with generally accepted accounting principles, the pro-rations to be made as of the Commencement Date.

9. Expenses. Subject to pro-rations and reimbursement, the Parties shall remain responsible for the following expenses during the term of this LMA, respectively:

(a) Licensee. Without limitation, Licensee shall be responsible for (subject to its right to be reimbursed by Programmer as provided in Section 6(b) above) on and after the Commencement Date of this LMA for:

(i) Any and all rental expenses for the Stations' transmitter site(s) and any equipment purchase and/or lease payments;

(ii) 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 Stations' transmission facilities;

(iii) Payment of all taxes, licenses, and other governmental fees necessary for the lease, use, and ownership of the Stations' facilities to include without limitation FCC Regulatory Fees, and filing fees associated with FCC mandated reporting;

(iv) Insurance to cover loss of or damage to the Stations' facilities and general liability insurance; and

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

(b) Programmer. From the Commencement Date of this LMA, Programmer shall provide for the following:

(i) Any and all expenses incurred in the production or distribution of programming to be aired on the Stations (other than PSA's, news items, and other material inserted at the request of Licensee);

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

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

10. Control of Station. 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 Stations' operations, including but not limited to its finances, personnel, and programming. Licensee shall also maintain a public inspection file pursuant to FCC Rules. Licensee shall retain the right to reject, preempt, and replace, 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's Managing Member shall have daily oversight responsibilities for the Stations.

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

12. 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, 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.

13. Filing with FCC. The Parties shall cooperate in obtaining any FCC approval of this LMA that may be required; and to that end, the Parties will negotiate in good faith to amend any provision which the FCC advises the Parties, either formally or informally, is unlawful. If required by the FCC, the Parties will file a copy of this LMA with the FCC within thirty (30) days from the Effective Date of this LMA.

14. Indemnification.

(a) Programmer hereby indemnifies and otherwise holds Licensee harmless against any and 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 Stations' 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 FCC policy and rules.

(b) Except as herein provided, 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 prior to and/or subsequent to the Commencement Date of this LMA, or arising from use and operation of Licensee facilities over which the Programmer has no control or responsibility.

15. 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 authorizations necessary to operate the Stations 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 Stations' FCC authorizations or the Stations' current operations.

16. 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) Non-Payment. Programmer's failure to make payments to Licensee as required by Section 6 of this LMA.

(ii) 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.

(iii) 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.

(iv) Maker's habitual failure to make payments when due:

(b) 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 except for amounts accrued but not yet paid to Licensee under Section 6 (unless the liability for such payments is offset by damages incurred by Programmer).

17. Specific Performance and Rights to Cure.

(a) The parties agree that the Assets and the business opportunity represented by this LMA are unique and are not readily available on the open market and the Programmer and/or Licensee would each be irreparably injured by the other's failure to perform its obligations hereunder:

(i) [Deleted]

(ii) In the event of Programmer's breach or default, Licensee shall have the right to liquidated damages equal to all LMA Fees paid to the date of default plus all LMA Fees remaining to be paid by Programmer to Licensee pursuant to the terms of the LMA.

(b) Any and all operating equipment and/or software purchased, leased, or otherwise acquired by Programmer to be used in the operations of the Stations ("Programmer Acquired Assets") shall at all times remain the property of Programmer. In the event of an early termination of this LMA due to a default, breach, or abandonment of the facilities and their operation by Programmer, such Programmer Acquired Assets may be retained by Licensee at Licensee's sole option and the value of such Programmer Acquired Assets may be used as an offset against Programmer's liquidated damages specific in Section 17(a)(ii) above.

18. 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 other than MCH Enterprises, Inc., which has represented Licensee in this transaction.

19. 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.

20. Governing Law, Venue, Severability. This LMA shall be governed for all purposes by the laws of the State of Washington. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision contained in this Agreement and any present or future status or law, ordinance or regulation or judicial ruling or governmental decision with the force of law contrary to which the parties have no legal right to contract, the latter shall prevail, without invalidating or affecting the remaining provisions of this LMA.

21. 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.

22. Successors and Assigns. This LMA may not be assigned without the written consent of the other Party. This LMA and the terms and conditions contained herein shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

23. Counterpart Signatures. This LMA may be signed in one or more counterparts, all of which shall be deemed to be a single document, binding on the Parties. The Parties' executed counterparts may be signed and exchanged by facsimile transmission or delivered as electronically scanned documents, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

24. 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:

Mr. Greg Smith, Manager
Sunnylands Broadcasting, LLC.
121 Powder Cap Ct.
Cle Elum, WA 98922
(206) 790-5405
gsmith0605@msn.com

With a copy to:

Mr. David Hartman, Manager
DSH Management, LLC
39 Holly Hill Drive
Mercer Island, WA 98040
(206) 612-4706
d1hart@comcast.net

(b) If to Programmer:

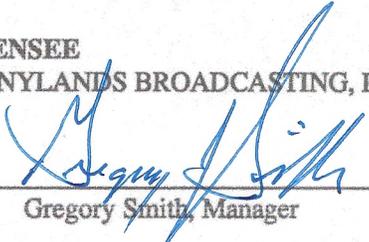
Mr. Arturo Gonzales, President
Iglesia Pentecostal Vispera Del Fin
10612 15th Ave. SW
Seattle WA, 98146
(206) 658-3135
cfcinseattlewa@gmail.com

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

25. Entire Agreement. This LMA embodies the entire understanding between the parties and supersedes any and all prior and contemporaneous agreements, 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.

IN WITNESS WHEREOF the Parties have executed this LOCAL MARKETING AGREEMENT as of the date first above written.

LICENSEE
SUNNYLANDS BROADCASTING, LLC

BY: 

Gregory Smith, Manager

PROGRAMMER
IGLESIA PENTECOSTAL VISPORA DEL FIN

BY: 

Arturo Gonzales, President

EXHIBIT 1
LMA FEE

During the Term of this LMA, Programmer shall pay a monthly LMA Fee of One Thousand Dollars (\$1,000.00) and reimburse Licensee for all expenses of operating the Stations to include but not limited to those set forth in Exhibit 2 hereinbelow.

EXHIBIT 2
REIMBURSEABLE OPERATING EXPENSES
PER SECTIONS 6(b) AND 9(a)(i-v)

Reimbursable Operating Expenses are estimated to be \$2,675.00 per month for the following items, standard and customary in agreements of this type, subject to itemization and actual expenses incurred. Reimbursement will be subject to presentment of original invoices or standing agreements and shall be delivered by Programmer to Licensee within five (5) calendar days of presentment.

(i) Rental Expenses:

KHCV Tower Site

KHCV Aux Tower Site

K226BT Tower Site

(ii) Utility Bills:

KHCV Tower Site

KHCV Aux Tower Site

K226B Tower Site

(iii) Taxes, Licenses and other Governmental Fees:

(iv) Insurance

(v) Maintenance and Repair: As incurred

(vi) Other items to which the Parties agree including:

HD Licensing Fee

Music Licensing Fee unless directly contracted as per Section 9 (b) (iii)

ASCAP

BMI

SESAC

GMR