

PROGRAMMING AGREEMENT

THIS PROGRAMMING AGREEMENT is entered into as of this 1st day of March, 2011 (this "Agreement"), by and between Jamison-Wolf Enterprises, Inc., a California corporation ("Licensee") and Buffalo Broadcasting LLC, a California limited liability company ("Programmer").

RECITALS

WHEREAS, Licensee is the owner and licensee of Radio Station KSYC-FM, Yreka, California [Facility ID 15314] (the "Station") pursuant to authorizations issued by the Federal Communications Commission (the "FCC") and has available for sale broadcast time on the Station; and

WHEREAS, Programmer desires to purchase time on Licensee's Station for the broadcast of programming on the Station;

WHEREAS, Programmer and Licensee have entered into an Asset Purchase Agreement to purchase the assets used and useful in the operation of the Station;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TIME SALE.

Subject to the provisions of this Agreement and to applicable rules, regulations and policies of the FCC, effective at 12:01 a.m. on March 1, 2011, Licensee agrees to make the Station broadcasting transmission facilities available to Programmer for broadcast of Programmer's programs on the Station originating from Licensee's studio. Programmer will have the right to broadcast on the Station up to twenty-four (24) hours of programming each day during the Term (as defined in Section 2 below), except as otherwise provided in this Agreement. Licensee specifically reserves for its own use up to three (3) hours per week of programming time (the "Reserved Time") during which it may broadcast programming of its choice. The Reserved Time shall be at a mutually agreed time between the hours of 6:00 a.m. and 12:00 midnight, in segments of no less than one (1) hour.

2. TERM.

The term of this Agreement shall begin on March 1, 2011 (the "Effective Date") and shall continue for six (6) months from the Effective Date (the "Termination Date"), unless earlier terminated in accordance with the provisions Paragraph 12 of this Agreement (the "Term"). If this Agreement has not been terminated in accordance with the provisions hereof.

3. CONSIDERATION.

In consideration for time sold by Licensee to Programmer pursuant to Section 1 of this Agreement, Programmer shall reimburse Licensee on the 15th day of each month following the Effective Date of their Agreement in cash or by check, the sum of all lease payments, power and other utility bills and maintenance costs for the Station's studio and transmitter facilities. The obligations of Programmer to reimburse Licensee are conditioned upon Licensee presenting Programmer with appropriate documentation that such expenses have been incurred and paid. Additionally, Programmer shall reimburse Licensee on a monthly basis for all reasonable and documented amounts expended by Licensee in the operation of the Station. After the final month of this Agreement, Licensee shall submit to Programmer a list of the actual expenses incurred for the prior month, along with supporting documentation, and Licensee shall refund Programmer the amount of any excess advances over the actual costs or, Programmer shall pay Licensee the amount of any permitted actual expenses incurred in excess of the amount advanced for such prior month.

4. LICENSEE'S RESPONSIBILITY FOR EXPENSES.

Licensee shall be solely responsible for payment of the direct and indirect operating costs not directly related to Programmer's use of the facilities of the Station, including, but not limited to (a) salaries of Licensee's employees, payroll taxes, insurance and related costs of the Licensee's Station Manager(s) and other personnel employed by Licensee in the operation of the Station; (b) insurance costs relating to Licensee's owned and leased assets and operations; (c) Licensee's own telephone, delivery and postal service; and (d) income, gross receipts, sales, real property, personal property, excise and/or any other taxes of any

nature whatsoever related to the ownership of Licensee's assets or Licensee's own programming efforts on the Station. Such expenses shall be reimbursed by Programmer upon presentation of documentation by Licensee that such expenses have been incurred and paid by Licensee.

5. PROGRAMMER'S RESPONSIBILITY FOR EXPENSES.

Programmer shall be responsible for all direct and indirect costs of the production of the programming to be provided by Programmer to the Station, including, but not limited to: (a) salaries, payroll taxes, insurance and related costs of all personnel employed by Programmer in connection with production of the programming, promotion of that programming and the sale of advertising in that programming; (b) costs of sales and promotion in connection with the programming provided by Programmer to the Station; (c) maintenance of its studios and all of its equipment necessary for the production of Programmer's programming and its delivery to the Station for broadcasting; (d) insurance costs relating to Programmer's equipment and assets used in its operation of the Station; (e) power and utilities at Programmer's facilities where programming is produced, if any; (f) income, gross receipts, sales, real property, personal property, excise or any other taxes of any nature whatsoever related to the ownership of Programmer's assets or the programming it supplies to the Station; (g) all performing rights licensing fees for music and other material contained in the programming provided by Programmer; and (h) such other fees and expenses as Programmer determines, relating to the Station and incurred after the Effective Date.

6. LICENSEE'S AUTHORITY.

Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the Term. Licensee shall be responsible for all programming it furnishes for broadcast on the Station and for the payment of the salaries of all of Licensee's employees, all of whom shall report solely to and be accountable solely to the Licensee. Licensee shall retain the right to interrupt or preempt Programmer's programming at any time if Licensee in good faith determines the programming is not in the public interest, unsatisfactory, unsuitable or violates the FCC's rules, or in case of an emergency or Emergency Alert System ("EAS") activation, or for the

purpose of providing programming which Licensee determines to be of greater national, regional or local importance; *provided, however*, that all revenues realized, if any, by Licensee as a result of such interruption or preemption shall promptly be remitted to Programmer. In the event Licensee shall interrupt or preempt Programmers' programming as described above or any of Programmer's programming is not broadcast over the Station at the Station's full authorized facilities, Programmer may elect in lieu of receiving revenues realized by Licensee as a result of such interruption, to reduce its monthly payments due pursuant to Section 3 above on a prorated basis or, at Programmer's election, require Licensee to refund to Programmer promptly the appropriate prorated amount of the fee already paid under such Section 3. Programmer will prepare and furnish to Licensee such information, records and reports pertaining to Programmer's programming in sufficient detail as is necessary to enable Licensee to comply with all rules and policies of the FCC or any other governmental agency having jurisdiction over Licensee.

7. ADVERTISING AND PROGRAMMING REVENUES.

Programmer shall retain all revenues from the sale of advertising time on the programming it broadcasts on the Station and all receivables pertaining to such programming shall belong to Programmer.

8. POLITICAL ADVERTISING.

The parties recognize that, while Programmer will be responsible for and receive the revenues from the sale of advertising on the Station, Licensee ultimately is responsible for insuring that the operation of the Station is consistent with the Communications Act and the rules, regulations and policies of the FCC. Therefore, notwithstanding any provision in this agreement to the contrary, Licensee may take such steps as are reasonably necessary to insure compliance by the Station and by Licensee with Section 315 of the Communications Act and related regulations and policies of the FCC. Licensee shall consult from time to time with Programmer to establish sales and other policies governing the sale of commercial time to candidates for political office, including such procedures as may be reasonably necessary to insure that the rates charged political candidates are in conformance with applicable law and policy. To the extent necessary to insure such conformance, Programmer shall provide Licensee with access to all its books and records regarding the pricing of advertising sold on

the Station. Licensee and Programmer shall cooperate to insure that appropriate records regarding political advertising requests are placed in the Station's public file. To the extent necessary to insure compliance with the Communications Act and applicable regulations and policies, including, but not limited to the reasonable access provisions of Section 315 of the Communications Act, Licensee shall have the right to preempt Programmer's programming to make such time available to these political candidates, provided that, in such event, all advertising revenues realized thereby promptly shall be paid by Licensee to Programmer.

9. **LICENSEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

Licensee represents, warrants and covenants to Programmer that:

- a. **Qualification.** Licensee is legally qualified, empowered and able to enter into and carry out this agreement, and that its performance hereof shall not violate the terms of any other agreement by which it is bound or to which it is a party.
- b. **Authorizations.** Licensee now holds all permits and authorizations necessary for the operation of the Station, including all FCC permits and authorizations.
- c. **No Violation.** Licensee, to its knowledge, is not in material violation of any statutes, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operations or assets, which material default or violation would have an adverse effect on Licensee or its assets or on its ability to perform this Agreement.
- d. **Compliance.** Licensee shall operate the Station in compliance with all applicable provisions of the Communications Act and the rules, regulations and policies of the FCC and all other applicable laws.
- e. **Transmitting Facilities.** The transmitting facilities of the Station are currently maintained and shall be maintained in accordance with good engineering practice and all applicable FCC rules and regulations. The Station currently complies with and shall continue to comply with all engineering requirements as set forth in its FCC authorizations, and Licensee shall take all steps reasonably necessary to insure continued compliance therewith.
- f. **Employees.** As further provided herein, Licensee shall retain, on a full time basis, a Station Manager or Managers who shall direct the day-to-day operation of the Station and shall also retain such other personnel as are required by the rules and regulations of the

FCC. Licensee shall be responsible for insuring that qualified control operators monitor and control the Station's transmissions at all time, to the extent required by applicable FCC rules and regulations.

g. **Station Identification.** Licensee shall insure that all required Station Identification announcements are broadcast as required by FCC rules and regulations.

h. **Emergency Alert System.** Licensee shall maintain appropriate Emergency Alert System (EAS) receivers, tone generators, and such other equipment as may be required to conform to FCC rules and regulations.

i. **Public Inspection File.** Licensee shall maintain the Station's public inspection file.

j. **Main Studio.** Licensee shall maintain a main studio (as defined by the rules and regulations of the FCC) within the primary service contour of the Station. Licensee shall maintain an appropriate public inspection file at a publicly accessible location at Yreka, California, and shall, from time to time, place such documents in that file as may be required by present or future FCC rules and regulations.

k. **Insurance.** Licensee shall acquire and maintain appropriate liability, fire and extended coverage insurance in amounts reasonably required to protect the parties hereto from losses from liability for personal injury as well as from loss by theft, fire and other causes to Licensee's equipment.

10. **PROGRAMMER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Programmer represents, warrants and covenants to Licensee that:

a. **Qualification.** Programmer is a California limited liability company and is legally qualified, empowered and able to enter into and carry out this Agreement.

b. **Compliance.** The programming supplied for broadcast on the Station shall comply with the Act, as amended, all FCC rules, regulations and policies, and with all programming standards established by Licensee. The programming will also meet all industry standards for technical quality.

c. **Station Identification.** Programmer shall cooperate with Licensee to insure that all required Station Identification announcements are broadcast as required by applicable FCC rules and regulations. Further Programmer shall submit to Licensee for Licensee's

approval any promotional material which will identify the Station by call letters or frequency for approval by Licensee at least two (2) days prior to use of such material by Programmer.

d. **Emergency Alert System.** Programmer shall cooperate with Licensee to insure that all required Emergency Alert System (EAS) announcements are broadcast as required by applicable FCC rules and regulations.

e. **Music Licenses.** Programmer shall obtain, at its own cost and expense, music permits for the music in the programs it broadcasts. The performing rights to all music contained in its programming is and shall be licensed by BMI, ASCAP or SESAC, or is in the public domain.

f. **Licensed Operators.** To assist Licensee in meeting its obligations to monitor station operations, Programmer agrees to provide, at its own cost and expenses, licensed operators to monitor the Station's operations during non-business hours (i.e. on weekends, holidays and between the hours of 5:00 p.m. and 9:00 p.m.).

g. **Liens.** Programmer shall not cause or permit any liens, encumbrances, foreclosures, contractual defaults or outstanding balances of any kind or nature whatsoever which would impede or impair Programmer's ability to meet its obligations under this Agreement.

h. **Payment of Obligations.** Programmer shall promptly pay any and all expenses or obligations of any kind or nature whatsoever relating to the provision of programming when such expenses become due.

i. **Broadcast Information.** Programmer shall provide Licensee with monthly documentation of the programs it has broadcast which address problems, needs and interest of the Station's community. Programmer shall provide local news and public affairs programming relevant to the Station's community and of sufficient quality to assist Licensee in satisfying its obligations to respond to the needs of its community.

j. **Public Letters.** Programmer shall forward to Licensee within twenty-four (24) hours of receipt by Programmer, any letter from a member of the general public addressing the Station's programming or documentation which comes into its custody which is required to be included in the Station's public file or any other information reasonably requested by Licensee.

11. INDEMNIFICATION.

a. Programmer shall indemnify and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages and expense (including reasonable attorneys' fees) arising out of or incident to: (i) any programming broadcast by Licensee over the Station, including, but not limited to, any claim for libel, slander, infringement of trademarks, trade names or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from such programming; and (ii) the conduct of Programmer and its employees, contractors and agents.

b. Licensee shall indemnify and hold harmless Programmer, its directors, officers, employees, agents and affiliates from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable attorneys' fees) arising out of or incident to (i) any programming broadcast by Licensee over the Station, including, but not limited to, any claim for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy and infringement of copyrights and proprietary rights resulting from such programming; and (ii) the misconduct of Licensee, its employees, contractors and agents.

c. The indemnification obligations of this Section 11 shall survive any termination of this Agreement and 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.

d. Neither Licensee nor Programmer shall be entitled to indemnification pursuant to this Section 11 unless such claim for indemnification is asserted in writing delivered to the other party; and, where such claim, loss, cost, liability, damage or defense involves a legal action, the party against whom indemnification is sought has been given written notice sufficiently in advance to permit such party to defend, contest or compromise such action at its own cost and risk.

12. TERMINATION.

a. **Grounds.** In addition to any other remedies available at law or equity, this Agreement may be terminated as set forth below, but only as set forth below, by either Licensee or Programmer by written notice to the other, if the party seeking to terminate is not in material default or breach hereof, upon the occurrence of any of the following:

- i. This Agreement is declared invalid or illegal in whole or material part by an order or decree of the FCC or any other administrative agency or court of competent jurisdiction, and such order or decree has become final and no longer subject to further administrative or judicial reconsideration or review;
- ii. The other party is in material breach of its obligations hereunder and has failed to cure such breach within fifteen (15) days of written notice thereof to that party from the non-breaching party;
- iii. The mutual written consent of both parties.
- iv. The other party makes a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which if filed against such party, has not been dismissed within thirty (30) days thereof;
- v. There has been a change in FCC rules or policies that would cause this Agreement or any material provision hereof to be in violation thereof and such change is not the subject of an appeal or further administrative review; or
- vi. Upon the consummation of the transfer of control of license from its current board of directors to a board which is comprised in majority by directors from the Programmer.

b. **Effects of Termination.** In the event of termination hereunder, Licensee shall be under no further obligation to make available to Programmer any additional broadcast time or broadcast transmission facilities, and Programmer shall have no further obligation to make any payments to Licensee hereunder. Programmer shall be fully responsible for all liabilities, debts and obligations which it has incurred as a result of this Agreement, including, but not limited to accounts payable, barter and trade-out agreements and unaired advertising.

c. **Programmer's Additional Termination Rights.** Notwithstanding anything herein to the contrary and in addition to Programmer's termination rights in Section 12 above, Programmer shall have the right to terminate this Agreement if the Station, upon commencing operation, is off the air for a substantial part of any fifteen (15) consecutive day period, or for a total of sixty (60) hours or more in any thirty (30) day period, and Licensee shall not have diligently used its best efforts to put such Station back on the air. In the event the Station is off the air as described above, and Licensee has not diligently used its best efforts or is unable to put such station back on the air, Programmer may elect to reduce its monthly payments due pursuant to section 3 on a prorated basis or, at Programmer's election, require Licensee to refund to Programmer the appropriate prorated amount of the fee already paid under such Section 3. In the event such outages are caused by circumstances beyond the Licensee's control and are beyond the control of Licensee's ability to correct, Programmer shall not have the right to terminate this Agreement pursuant thereto.

d. **Effect of Termination.** Upon termination of this Agreement according to the provision of this Section 12, the payments, reimbursements and fees provided of hereunder shall be prorated on a daily basis to the effective termination date of this Agreement. Upon such termination, other than for the closing of the sale as defined in the Purchase Agreement, Licensee shall cooperate reasonably with the Programmer to the extent permitted to enable Programmer to fulfill advertising or other programming contracts then outstanding, in which event Licensee shall receive as compensation for the carriage of such programming by Licensee that which otherwise would have been paid to Programmer hereunder.

13. **NO RELEASE OF LIABILITY THROUGH TERMINATION.**

No termination pursuant to Section 13 shall relieve any party of liability it would otherwise have for breach of this Agreement.

14. **NOTICES.**

All notices and communications hereunder or with respect hereto shall be deemed to have been duly given to a party when in writing and actually delivered to such party as follows, or, if mailed, upon mailing first class certified United States mail, postage prepaid, addressed as follows:

Programmer: Buffalo Broadcasting, LLC
Attn: ~~William Best~~ MARK Baird LHS
P.O. Box 842
Fort Jones, CA 96032

Licensee: Jamison-Wolf Enterprises, Inc.
Attn: Lee W. Jamison
212 Ultra Drive
Henderson, NV 89074

with a copy Luvaas Cobb
which shall not Attn: J. Dominic Monahan
constitute 777 High Street, Suite 300
notice, to: Eugene, OR 97401

Notices shall also be sent to such other persons or addresses as either party may hereafter specify for itself by ten (10) days prior written notice to the other. Notices may be sent by facsimile copy, but only if an original of such facsimile copy is sent by regular mail or in accordance with the other notice provisions within twenty-four (24) hours after such facsimile has been transmitted.

15. ASSIGNMENT.

This Agreement and Licensee's or Programmer's rights and obligations hereunder may not be assigned without the prior written consent of the other party. Any attempted assignment, if any, not in compliance with this Section 15 shall be null and void. This Agreement shall be binding upon and inure only to the benefit of the parties hereto and their respective successors and assigns. Licensee agrees that Programmer may assign this Agreement to an entity which is subsequently formed by Programmer and which is substantially owned and controlled by Programmer.

16. ENTIRE AGREEMENT.

This Agreement sets forth the entire understanding of the parties at the time of execution and delivery hereof regarding the subject matter hereof, and all prior agreements between them with respect to the subject matter hereof shall be of no further force or effect. This Agreement may be amended only by an instrument in writing executed by both parties.

17. HEADINGS.

The headings in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

18. WAIVER.

The waiver by either party of any matter provided for herein shall be in writing in order to be effective and shall not be deemed to be a waiver of (i) any such matter on any other occasion or (ii) any other matter.

19. COUNTERPARTS.

More than one counterpart of this Agreement may be executed by the parties and each fully executed counterpart shall be deemed an original of this Agreement.

20. GOVERNING LAW.

This Agreement shall be construed in accordance with and be governed by the laws of the State of California, without regard to its choice of law rules. Exclusive venue and jurisdiction with respect to any lawsuit or court action under this Agreement shall be in the state or federal courts of the State of California.

21. ATTORNEYS' FEES.

Notwithstanding anything herein to the contrary, in the event of commencement of suit by either party to enforce the provision of this Agreement, the prevailing party in such suit shall be entitled to receive attorney's fees and costs that the court in which such suit is adjudicated may determine reasonable in addition to all other relief granted.

22. SEVERABILITY.

In the event that any term or provision of this Agreement is determined to be void, unenforceable or contrary to law, the remainder of this Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party.

23. AUTHORITY OF SIGNATORY.

Each individual signing this Agreement below personally represents and warrants that such individual has full corporate power and authority to execute and to deliver this Agreement on behalf of the party whose name appears directly above the signature of such individual.

24. CERTIFICATIONS.

a. **Licensee's Certification.** Licensee hereby certifies that it maintains ultimate control over the Station's facilities, including, specifically, control over the Station's finances, personnel and programming.

b. Programmer's Certification. Programmer hereby certifies that this Agreement complies with the provision of paragraphs (a)(1) and (c)(1) of Section 73.3555 of the FCC's rules.

25. TRADEMARKS.

Licensee hereby grants Programmer an unlimited license and permit to use any and all trademarks, service marks, patents, trade names, jingles, slogans, logotypes and other intangible rights owned and used or held for use by Licensee in conjunction with the Station.

26. REGULATORY REQUIREMENTS.

It is recognized that all obligations of Licensee hereunder are subject to its overriding obligations as a public trustee to serve the needs and interests of Yreka, California and to broadcast programming which Licensee views as consistent with those needs and interests and the rules and regulations of the FCC. It is expressly understood by the parties hereto that Programmer shall not exercise any control over the day-to-day operations of the Station, and Licensee shall be solely responsible for the management, operation and regulatory compliance of the Station. All employees of Licensee or Programmer who are involved with the operation of the Station or the provision of programming to the Station shall ultimately be responsible to Licensee on all matters within its discretion as an FCC Licensee.

27. PAYOLA/PLUGOLA.

Neither Programmer nor its agents, employees, consultants or personnel shall 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 Act and FCC requirements.

28. SPECIFIC PERFORMANCE.

Licensee and Programmer each acknowledge that, in the event that either party shall fail to perform its obligations hereunder, money damages alone will be adequate to compensate the other party.

29. NO AGENCY.

No agency relationship between the parties shall be expressed or implied by the terms of this Agreement, nor shall this Agreement be construed to create a joint venture or partnership between the parties. Neither party shall hold itself out as an agent, partner or joint venturer with the other. All contracts for the sale of air time, purchase orders, agreements, ales materials and similar documents produced or executed by Programmer shall be executed in the name of Programmer, and not on behalf of the Station or the Licensee, and shall represent that Programmer is not the Licensee of the Station.

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

LICENSEE

JAMISON-WOLF ENTERPRISES, INC.


Lee W. Jamison, President

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PROGRAMMER

BUFFALO BROADCASTING, LLC


~~William~~ Baird, Member

MARK LB