

**LOCAL MARKETING AGREEMENT**

**ENTERED INTO BETWEEN**

**MFR, INC AND GFR, INC**

**[ LICENSEE ]**

**AND**

**JACKSON RADIO GROUP LLC**

**[ JACKSON ]**

**PERTAINING TO**

**RADIO STATIONS**

**WTOT (FM), GRACEVILLE, FL  
WJAQ (FM), MARIANNA, FL  
WTOT (AM), MARIANNA, FL**

**SEPTEMBER, 2013**

## **LOCAL MARKETING AGREEMENT**

This Local Marketing Agreement ("Agreement" or "LMA"), is entered into this 20<sup>th</sup> day of September, 2013 by and between Jackson Radio Group, LLC, ("JACKSON") and MFR INC AND GFR, INC, ("Licensee").

### **WITNESSETH:**

**WHEREAS**, Licensee currently holds a license from the Federal Communication Commission (FCC) to broadcast radio stations WTOT (AM) and WJAQ (FM) Marianna, FL and WTOT (FM) Graceville, FL and desires to provide high-quality informational and entertainment programming in its service area; and

**WHEREAS**, JACKSON RADIO GROUP is an experienced broadcaster and desires to purchase the available schedule of the Stations' broadcast time;

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, the parties hereto have agreed and do agree as follows:

#### **1. PROGRAMMING.**

1.1. Subject to the rules and policies of the FCC and the limitations contained herein, Licensee agrees to provide broadcast assistance service to JACKSON, and to broadcast on the Station, or cause to be broadcast, a weekly schedule programming presented to it by JACKSON, including music and other entertainment programs, nonentertainment programs and commercials as selected by JACKSON (the "Programming"), for Stations' entire broadcast schedule except for those hours reserved by Licensee as set forth below.

1.2. Licensee may produce or present up to one (1) hour a week of programming to be aired on the Station between 5:30 a.m. and 6:30 a.m. on Sundays,

or at such other times as Licensee reasonably deems necessary to meet the needs of the Stations' listeners. Licensee's public affairs program shall respond to the issues, needs and interest of the Marianna, FL market of which Licensee has ascertained, and shall be presented as deemed by Licensee to best meet its listeners' needs. Licensee shall maintain a complete public file and compile all required quarterly issues/Programs Lists (as required by the Federal Communications Commission ("FCC")). JACKSON shall give Licensee copies on a weekly basis of all operating and programming information necessary to maintain those records required to be kept by the FCC's rules and policies including, without limitation, EAS announcements and station operation logs.

1.3. JACKSON shall broadcast (a) an announcement in form satisfactory to Licensee, and in compliance with FCC rules and policies, at the beginning of each hour to identify each of the Stations call signs, (b) an announcement at the beginning of each broadcast day or appropriate broadcast period to indicate that program time has been purchased by JACKSON, and (c) any other announcement that may be required by law, regulation, or Licensee policy.

1.4. JACKSON shall insert in each week's Programming, without charge to Licensee, up to                    public service announcements ("PSA's") per week, each of which will not exceed                    in duration. Such PSA's shall be selected by Licensee in its sole discretion as part of its efforts to meet its community service obligations and the insertion of such PSA's in the Programming shall not entitle JACKSON to any payment credits.

1.5. JACKSON will maintain the ability to deliver the Programming to Licensee's transmitter site by means acceptable to Licensee, and in accordance with FCC technical standards.

2. **PAYMENTS.** For broadcast of the Programming as provided hereunder, JACKSON hereby agrees to promptly pay Licensee the amounts specified in **Attachment 1**. Monthly payments for the Programming are due and payable on the Fifteenth (15<sup>th</sup>) day of each broadcast month.

3. **TERM.** The term of this Agreement shall be for a period of two (2) years with a one (1) year extension at the option of JACKSON from the Effective Date of this Agreement.

4. **PROGRAMMING STANDARDS; RECORD-KEEPING.**

4.1 JACKSON shall furnish or cause to be furnished the artistic personnel and material in broadcast-ready form for the Programming. All Programming shall comply with all applicable statutes and FCC rules, policies and requirements, as announced from time to time by the FCC, and with Licensee's programming policies set forth in **Attachment 2**. JACKSON further agrees that Licensee may preempt any specific program which Licensee reasonably believes to be unsatisfactory or unsuitable or contrary to the public interest, and may substitute Licensee's own programming in place thereof.

4.2. During the term of this Agreement, JACKSON shall maintain and deliver to each Station such records and information required by the FCC to be placed in the public inspection files of each Station pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections

73.1930, 73.1940 – 73.1944, and 73.3526 of the FCC's rules, and pertaining to the broadcast of sponsored programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Section 73.1212 of the FCC's rules. JACKSON shall also consult with the Licensee and adhere strictly to statutes and the rules, regulations and policies of the FCC as announced from time to time, and with the policies set forth in **Attachment 2**, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and as appropriate, others to "equal opportunities" and the carriage of contrasting points of view as mandated by the "fairness" rules with respect to such "issue-oriented" advertising or programming as may be broadcast) and the charges permitted therefore. Specifically, at least \_\_\_\_\_ days before the start of any primary or regular election campaign. JACKSON will clear with Licensee's General Manager the rate JACKSON will charge for the time to be sold to candidates for public office and/or their supporters to make certain that the rate charged is in conformance with applicable law and Licensee policy. Within \_\_\_\_\_ hours of any request to purchase time in defeat of a ballot issue, JACKSON will report the request to the Station's General Manager so that appropriate records may be kept as to the request for such time and the disposition thereof. In general, JACKSON will provide to the Stations such documentation relating to such programming as Licensee shall reasonably request and shall indemnify the Licensee for any claim, demand, cost or expense (including reasonable attorneys' fees) arising from the inclusion of any such material in the Programming provided to the Stations during the term of this Agreement.

4.3. Licensee shall not be required to receive or handle mail, cables, telegraph or telephone calls in connection with the JACKSON's programs but, in

accordance with the provisions of Section 1.2 hereof, Licensee shall be advised promptly by JACKSON of any public or FCC complaint or inquiry concerning such programming, and Licensee shall be given the originals of any letters from the public, including complaints, concerning such programming for inclusion in the Stations' public records file as required by the FCC.

**5. Expenses.**

5.1. JACKSON shall be responsible for the costs, specified in ***Attachment 3***, associated with the production and development of the Programming, and the sale of air time on the Stations during hours in which the Programming airs.

5.2. All equipment necessary for broadcasting by the Stations shall be maintained by Licensee in a condition consistent with good engineering practices and in compliance in all material respects with the applicable rules, regulations and technical standards of the FCC, and all capital expenditures reasonably required to maintain the technical quality of the Stations' signals shall be made in a timely fashion at the sole expense and in the sole discretion of the Licensee. Licensee may elect to repair rather than to replace equipment if necessary.

5.3. Licensee will be solely responsible for payment of all the Stations expenses necessary to fulfill Licensee's FCC obligations and to transmit the Programming, and will be responsible for the salaries, taxes, insurance and related costs for Licensee's personnel. Without limiting the generality of the foregoing, Licensee will be responsible for all costs associated with the maintenance of Stations' towers, transmitters and antennas, electrical power at the main studio and from the studio to the transmitter sites, maintenance of the Stations local public records files, rents, and all other expenses associated with maintaining the Licensee's main studio. JACKSON

agrees to reimburse Licensee for the costs associated with the operation of the Stations as described in this paragraph 5.3 and in paragraph 5.2. Standard maintenance includes transmitter tubes, parts and supplies to maintain the technical quality of the Stations' signals. Additionally, JACKSON will reimburse Licensee for all insurance policies associated with the operations of the Stations. All reimbursements as set forth in the Agreement shall be made by JACKSON promptly upon having been invoiced for such amounts by Licensee.

**6. OPERATION OF STATION.**

6.1. Licensee shall retain full authority and power with respect to the operation of the Stations during the period of this Agreement and warrants to JACKSON that it will take any and all steps necessary to faithfully and continuously do so throughout the term of this Agreement.

6.2. Licensee further warrants and agrees with JACKSON that this responsibility to retain control is an essential and material element of the continuing validity and legality of this Agreement.

6.3. Licensee shall maintain a meaningful management presence at the Stations in full compliance with FCC requirements.

6.4. Licensee shall retain control over the policies, programming and operations of the Stations, including, without limitation, the right to decide whether to accept or reject and of the Programming, the right to preempt any Programming in order to broadcast a program deemed by Licensee to be of greater national, regional or local interest, and the right to take any other actions necessary to comply with the laws of the United States, the State of Alabama and the rules, regulations, and policies of the FCC, including its prohibition against unauthorized transfers of control.

6.5. Licensee shall be responsible for meeting all of its requirements with respect to its local service obligations including, but not limited to, compliance with station identification requirements, maintaining a fully operational main studio within each Stations' principal community contour and broadcasting its own issue-responsive programming.

6.6. JACKSON shall not represent, warrant or hold itself out as the Licensee of the Stations and shall sell all its advertising time and enter into all agreements in its own name. Licensee reserves the right to refuse to broadcast any program or programs containing matter which is, or in the reasonable opinion of Licensee may be, or which a third party claims to be, violative of any right of its or theirs or which may constitute a personal attack as the term is and has been defined by the FCC.

7. **SPECIAL EVENTS.** Licensee reserves the right, in its sole discretion and without liability, to preempt any of the Programming, and to use part or all of the time contracted for by JACKSON to broadcast events of special importance. In all such cases, Licensee will use its best efforts to give JACKSON notice of its intention to preempt such broadcast or broadcasts and in the event of such preemption, JACKSON shall receive any income received by Licensee from or with respect to programming aired by Licensee in lieu of such preempted broadcast or broadcasts.

8. **FORCE MAJEURE.** Any failure or impairment (i.e., failure to broadcast at station's full authorized height and power) of facilities or any delay or interruption in broadcast programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Licensee shall not constitute a breach of this Agreement



and Licensee will not be liable to JACKSON, except to the extent of allowing, in each such case of a failure or interruption lasting forty-eight (48) hours or more, an appropriate payment credit for time or broadcasts not provided based upon a pro rata adjustment to amounts due as specified in **Attachment 1** based upon the length of time during which the failure or impairment exists.

9. **RIGHT TO USE THE PROGRAMMING.** The right to use the Programming and to authorize its use in any manner and in any media whatsoever shall be and remain vested solely in JACKSON.

10. **PAYOLA.** JACKSON agrees to execute and provide Licensee with annual Payola Affidavits, substantially in the form which is attached hereto as **Attachment 4**, and notify Licensee promptly of any violations it learns of relating to the Communications Act of 1934., as amended, including Sections 317 and 508 thereof.

11. **COMPLIANCE WITH LAW.** JACKSON agrees that, throughout the term of this Agreement, it will comply with all laws and regulations applicable to the conduct of its business.

12. **INDEMNIFICATION; WARRANTY.**

12.1. Each party warrants that it will indemnify and hold harmless the other party, and its directors, officers, employees, agents and affiliates, from and against any and all liability, including without limitation all consequential damages and attorney's fees, arising out of or incident to the programming furnished by the party or the conduct of the party, its employees, contractors or agents. Without limiting the generality of the foregoing, each party will indemnify and hold and save the other, and its directors, officers, employees, agents and affiliates, harmless against liability for libel,

slander, infringement or trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the programming furnished by it. JACKSON will maintain customary amounts of libel and slander insurance and name Licensee as an additional insured party.

12.2. Neither party shall be responsible to the other party for any damages occurring as a result of any FCC or other finding that implementation of this Agreement has resulted or will result in a violation of any statute, regulation or FCC rule or policy.

12.3. Each party warrants that it will indemnify and hold harmless the other party and its directors, officers, employees, agents and affiliates from and against any cost or liability (including reasonable attorneys' fees and court costs) arising out of and indemnifying party's misrepresentation under or violation of this Agreement or any portion hereof, or any related agreement between the parties, including costs of defending third party claims and costs of enforcement of this Agreement or such other related agreement.

12.4. JACKSON will indemnify and hold harmless the Licensee in connection with any fines levied against the Licensee as a result of JACKSON's actions or inactions during the term of this Agreement.

### 13. **PURCHASE AGREEMENT**

13.1. JACKSON and Licensee have entered into a Purchase Agreement for the purchase and sale of all of the stock held by Licensee in connection with the operation of the Stations (the "Purchase Agreement"). It is understood and agreed that an application for Commission Consent to the assignment of the FCC licenses of the

Stations from Licensee to JACKSON ("Assignment Application") shall be filed within 90 days.

13.2. Upon FCC approval of the Assignment Application, and consummation of the purchase of the Stations, this Agreement shall terminate, with no further liability of either part thereunder.

14. **NO WAIVER; REMEDIES CUMULATIVE.** No failure or delay on the part of Licensee or JACKSON in exercising any right or power hereunder shall operate as a abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Licensee and JACKSON herein provided are cumulative and are not exclusive of any right or remedies which they may otherwise have.

15. **REQUIRED CERTIFICATIONS.**

15.1. By Licensee. Licensee hereby certifies that it has, and shall maintain ultimate control over the Stations' facilities, including specifically control over finances, personnel and programming. Licensee represents and warrants that this certification may be relied upon by the FCC as well as by JACKSON.

15.2. By JACKSON. JACKSON hereby certifies that the arrangement with Licensee as set forth herein and as contemplated in all aspects of operation is and shall remain in compliance with Subparagraphs (a)(1) and (e)(1) of 47 CFR Section 73.3555 and 47CFR Section 73.3556, concerning Local Marketing Agreements and duplicated programming. JACKSON represents and warrants that this certification may be relied upon by the FCC as well as by Licensee.

16. **CONSTRUCTION; COMPLIANCE WITH FCC REQUIREMENTS.** This Agreement shall be construed in accordance with the laws of the State of Florida other

than the choice of law provisions of such state, and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations and policies of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current FCC policy for time brokerage agreements and agree that they shall negotiate in good faith to meet any FCC concern with respect to it if they are incorrectly interpreting current FCC policy or that policy is modified. If the parties cannot agree to a modification or modifications deemed necessary by either party to meet FCC requirements, the termination provisions of Paragraph 17 below shall apply. The parties further agree that they will submit to the FCC a copy of this agreement as soon as practicable after execution so that the FCC will be aware of the parties' plans.

**17. TERMINATION.** This agreement may be terminated if:

17.1. The FCC advises the parties to do so to comply with the FCC's rules or policies;

17.2. this Agreement is terminated subsequent to        days written notice and failure of defaulting party to timely cure said default because of an Event of Default by the other party, and the party giving notice of termination is not itself in material default thereunder,

17.3. this Agreement is terminated as a result of the consummation of the sale of the assets and licenses of the Stations pursuant to the Purchase Agreement between the parties.

18. **ENTIRE AGREEMENT.** This Agreement, including all attachments hereto, embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter thereof. No alteration, modification or change of this Agreement shall be valid unless made in writing and signed by the parties.

19. **SEVERABILITY.** If any provision or provisions contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained therein.

20. **NO JOINT VENTURE.** The parties agree that nothing herein shall constitute a joint venture between them. The parties acknowledge that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement.

[THE NEXT PAGE IS THE SIGNATURE PAGE ONLY]

**[SIGNATURE PAGE]**

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and seals as of the  
Year and Date first above written.

**LICENSEE**

**MFR, INC. & GFR, INC.**

\_\_\_\_\_  
Witness

*Kim Mote*  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
**JACKSON RADIO GROUP, LLC**

**Steve McGowan, Member**

**ATTACHMENT 1**

**PAYMENTS AND FEES**

**ATTACHMENT 2**

**PROGRAMMING RULES AND POLICIES**





**ATTACHMENT 3**

**ATTACHMENT 4**



