

## **JOINT SALES AND SHARED SERVICES AGREEMENT**

This **JOINT SALES AND SHARED SERVICES AGREEMENT** (this “Agreement”) is dated as of \_\_\_\_\_, 2006 by and between MPS Media of Scranton, LLC, a Delaware limited liability company (“Licensee”), and New Age Media of Pennsylvania, LLC (“Sales Agent”).

### **RECITALS**

A. Pursuant to the Asset Purchase Agreement dated August 7, 2006 by and among Licensee, MPS Media of Tallahassee, LLC, Mystic Television of Scranton LLC and Mystic Television of Tallahassee LLC, Licensee has acquired the FCC Licenses of television broadcast station WSWB(TV) and digital television broadcast station WSWB-DT, both serving Scranton, Pennsylvania (together, the “Station”), and certain assets of the Station (the “WSWB Purchase Agreement”);

B. Pursuant to the Asset Purchase Agreement dated August 7, 2006 by and among CP Media, LLC, an affiliate of Sales Agent, Pegasus Satellite Communications, Inc., Pegasus Broadcast Television, Inc., WGFL License Corporation, WTLH License Corp., WDSI License Corp, WOLF License Corp., HMW, Inc. and Pegasus Broadcast Associates, L.P., Sales Agent has acquired certain other assets of the Station (the “Pegasus Purchase Agreement,” and together with the WSWB Purchase Agreement, the “Purchase Agreements”);

C. Pursuant to the Pegasus Purchase Agreement, Sales Agent has acquired and is operating television broadcast stations WOLF-TV and WOLF-DT, Hazleton, Pennsylvania, and WQMY(TV) (formerly WLIF(TV) and WQMY-DT (formerly WLIF-DT), Williamsport, Pennsylvania (collectively, the “New Age Stations”), pursuant to licenses, permits and other authorizations issued by the FCC;

D. In order to support and promote the economic viability and development of the Station, Licensee desires to retain Sales Agent to sell advertising on the Station and to provide related sales and other services to Licensee with respect to the operation of the Station, to utilize certain facilities of Sales Agent and to provide to Licensee certain news and public interest programming for broadcast on the Station, in each case in conformity with the FCC Rules; and

E. It is the parties’ expectation that Sales Agent, with its experience and operating infrastructure, will improve the overall efficiency of the Station’s sales and operating processes and reduce costs, thereby helping to ensure that the Station remains a viable alternative for both television viewers and advertisers.

## **AGREEMENTS**

In consideration of the above recitals and of the mutual agreements and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Licensee and Sales Agent, intending to be bound legally, agree as follows:

### **SECTION 1. DEFINITIONS**

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, shall have the meanings set forth in this Section:

“Affiliate” means, with respect to any Person, (a) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such Person within the meaning of clause (a) of this definition. For purposes of clause (a) of this definition, (i) a Person shall be deemed to control another Person if such Person (A) has sufficient power to enable such Person to elect a majority of the board of directors of such Person, or (B) owns a majority of the beneficial interests in income and capital of such Person, and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner, and a Person shall be deemed to control any limited liability company of which such Person is a managing member.

“Base Date” means January 1, 2007, or such other date on which the parties may agree.

“Communications Act” means the Communications Act of 1934, as amended.

“Communications Laws” means the Communications Act, together with the FCC Rules, as in effect from time to time.

“FCC” means the Federal Communications Commission, together with any successor thereto.

“FCC Licenses” means all licenses, permits and other authorizations issued by the FCC with respect to the ownership, operation or construction of the Station and all auxiliary broadcast and satellite earth station facilities used in the operation of the Station.

“FCC Rules” means the rules, regulations and policies promulgated under the Communications Act, by the FCC, as in effect from time to time.

“Market” means the Wilkes Barre-Scranton, Pennsylvania, Designated Market Area.

“Person” includes natural persons, corporations, business trusts, associations, companies, joint ventures, limited liability companies, partnerships and other entities or organizations.

1.2 Additional Defined Terms. In addition to the defined terms in the preamble, recitals and Section 1.1 hereof, the following is a list of terms used in this Agreement and a reference to the section or schedule hereof in which such term is defined:

<u>Term</u>	<u>Section/Schedule</u>
Advertisements	Section 4.1
Broadcast Material	Section 4.5
Cash Flow Payment Date	Schedule 3.1
Delivered Programming	Section 4.2
Disclosure Statement	Section 5.2(c)
Excluded Services	Section 4.4
Independent Accounting Firm	Schedule 3.1
Licensee Revenue Share	Schedule 3.1
Licensee's Expense Schedule	Schedule 3.1
Lost Revenue	Schedule 3.1
Net Sales Revenue	Schedule 3.1
Objection Notice	Schedule 3.1
Petry	Schedule 3.1
Petry Rep Agreement	Schedule 3.1
Policy Statement	Section 4.5
Premises	Section 5.4
PSAs	Section 4.6
Ratings Agencies	Section 5.1(l)
Reimbursable Station Expenses	Schedule 3.1
Studio Building	Section 4.3(a)(i)
Target Period	Schedule 3.1
Term	Section 2.1
Trade Agreements	Section 4.7

## **SECTION 2. TERM**

2.1 Term. The term of this Agreement shall commence on the date hereof and continue for a period of ten (10) years (the "Term"), unless terminated in accordance with Section 2.2 below. The Term of this Agreement shall automatically renew for successive one (1) year terms unless either party gives the other party written notice of its intention not to renew the Agreement not less than three (3) months prior to expiration of the then current Term.

### **2.2 Termination.**

(a) Mutual Agreement. This Agreement may be terminated at any time by mutual agreement of the parties hereto. This Agreement shall terminate (i) automatically upon the failure of the FCC to renew the FCC Licenses, which failure shall have become final and no longer subject to appeal or (ii) automatically in the event that the option to purchase all or substantially all of the assets or membership interest of MPS granted pursuant to that certain Purchase Option Agreement entered into as of the date hereof by and among Licensee, its sole member, Eugene Brown, and Sales Agent shall have been exercised and consummated.

(b) Termination by Licensee or Sales Agent. This Agreement may be terminated by Licensee or Sales Agent, by written notice to the other, (i) if this Agreement has been declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction which is not subject to appeal or further administrative

or judicial review, and the parties, acting in accordance with Section 5.7 hereof, have been unable to agree upon a modification or reform of the Agreement so as to cause the Agreement to comply with applicable law; or (ii) there has been a change in the Communications Laws that causes this Agreement in its entirety to be in violation thereof and the applicability of such change is not subject to appeal or further administrative review; and the parties, acting in accordance with Section 5.7 hereof, have been unable to agree upon a modification or reform of the Agreement so as to cause the Agreement to comply with applicable law.

(c) Termination by Sales Agent. This Agreement may be terminated by Sales Agent, by written notice to Licensee, upon the occurrence of any of the following events:

(i) if Sales Agent is not then in material breach and Licensee is in material breach under this Agreement and Licensee has failed to cure such breach within ninety (90) days after receiving written notice of breach from Sales Agent; or

(ii) if Licensee or any Affiliate of Licensee 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 creditor's representative for the property or assets of Licensee or any Affiliate of Licensee under any federal or state insolvency law which, if filed against Licensee or any Affiliate of Licensee, has not been dismissed within thirty (30) days thereof.

(d) Termination by Licensee. This Agreement may be terminated by Licensee, by written notice to Sales Agent,

(i) if Licensee is not then in material breach and if Sales Agent breaches its obligations hereunder, has failed to cure such breach within ninety (90) days after receiving written notice of such breach from Licensee;

(ii) if Sales Agent or any Affiliate of Sales Agent 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 creditor's representative for the property or assets of Sales Agent or any Affiliate of Sales Agent under any federal or state insolvency law which, if filed against Sales Agent or any Affiliate of Sales Agent, has not been dismissed within thirty (30) days thereof; or

(iii) if Licensee is not then in material breach, as set forth in Schedule 3.1.

2.3 Certain Matters Upon Termination. If this Agreement is terminated by either party under Section 2.2, no expiration or termination of this Agreement shall terminate the obligations of either party hereto to indemnify the other for claims of third parties under Section 8 of this Agreement, or limit or impair any party's rights to receive payments due and owing hereunder on or before the effective date of such termination. In the event of the expiration, cancellation or termination of this Agreement:

(a) Licensee shall have no further obligation to retain Sales Agent to sell any advertising time on the Station;

(b) Sales Agent shall assign to Licensee all advertising contracts entered into by Sales Agent during the Term for broadcasting such advertising on the Station (the "New Advertising Contracts");

(c) Licensee shall assume the New Advertising Contracts and all associated liabilities and perform all of Sales Agent's obligation under the New Advertising Contracts; and

(d) Licensee shall be entitled to retain any revenues for advertising broadcast after the expiration, cancellation or termination of this Agreement.

(e) Licensee shall be entitled to lease the assets of the Station owned by Sales Agent, based on the fair market value of such assets, pursuant to terms and conditions reasonably customary in the broadcast industry.

### **SECTION 3. CONSIDERATION**

As consideration for the right of Sales Agent to market and sell air time made available under this Agreement, Licensee shall be entitled to receive from the Station's Net Sales Revenue the amounts set forth in Schedule 3.1 hereto, and Sales Agent shall provide services to Licensee as set forth in this Agreement.

### **SECTION 4. SCOPE OF SERVICES**

4.1 Sales and Related Services. Except as expressly provided to the contrary herein, Licensee retains Sales Agent on an exclusive basis for the Term of this Agreement to market and sell all forms of regional and local spot advertising, sponsorships, direct response advertising, paid programming, including infomercials, and all long-form advertising broadcast on the Station and all advertising on any Internet site maintained by or on behalf of the Station during the Term (the "Advertisements"). Subject to the terms of Schedule 3.1, national spot advertising broadcast on the Station shall continue to be sold by the Station's existing national rep firm. Licensee shall promptly provide to Sales Agent and its employees such information as Sales Agent may request to support the marketing and sale of the Advertisements and the collection of accounts receivable with respect thereto. Sales Agent also shall be responsible for the promotion of the Station and for the Station's traffic, billing and collection functions for the Advertisements, subject to Licensee's ultimate control and authority. Sales Agent shall designate an adequate number of its personnel to perform such services for the Station. Sales Agent shall conduct the sales, traffic and promotion functions for the Station in accordance with standard practice in the industry. Sales Agent and Licensee shall periodically review the personnel needs and job functions of the persons designated by Sales Agent to perform its obligations under this Agreement and implement such changes as they mutually agree are appropriate. Net Sales Revenues shall be allocated between Sales Agent and Licensee as set forth in Schedule 3.1. Sales Agent may sell the Advertisements in combination with any other broadcast stations of its choosing, including the New Age Stations; *provided, however*, that under no circumstances will advertisers be required to purchase time on the Station and the New Age Stations together. Subject to Section 4.5, the placement, duration and rates of the

Advertisements shall be determined by Sales Agent. The value of commercial time bartered in exchange for programming shall be excluded from the definition of Net Sales Revenue.

4.2 Delivered Programming. Commencing on the Base Date, Sales Agent shall have the right to provide to Licensee for broadcast, simulcast or rebroadcast on the Station, as applicable, local news and other programming as described more particularly in Schedule 4.2 hereof (the “Delivered Programming”). The total duration of all Delivered Programming supplied by Sales Agent for broadcast on the Station shall in no event exceed the lesser of 25 hours per week or 15% of the Station’s broadcast hours for any week. Sales Agent shall be responsible for obtaining the rights to broadcast the Delivered Programming on the Station and for paying all costs incurred in obtaining such rights. To the extent permission is required to rebroadcast any Delivered Programming under Section 325 of the Communications Act, Sales Agent hereby grants Licensee such permission. The Delivered Programming shall be subject to the requirements of Section 4.5, including but not limited to the Licensee’s right of rejection or preemption. All Delivered Programming shall be in conformity in all material respects with standards established by Licensee and consistent with similar programming broadcast on the New Age Stations. Subject to Sales Agent’s obligation to provide the Delivered Programming as set forth herein, the selection of the programming to be aired on the Station shall be within the ultimate discretion of Licensee. Sales Agent shall retain all revenue from the sale of Advertisements that are adjacent to or in the Delivered Programming.

4.3 Shared Services. Sales Agent agrees to provide to Licensee the following additional facilities, equipment and services to support the operation of the Station, subject to Licensee’s right to modify, upon reasonable prior notice to Sales Agent, any such service, *provided* that no such modification shall be deemed to expand in any material respect the obligations of Sales Agent, or require Sales Agent to incur any material additional obligation or liability, hereunder:

(a) Office and Studio Space.

(i) If and to the extent Sales Agent elects, in its sole discretion, to provide some or all of the services to be provided by Sales Agent hereunder from the studio facility used by Sales Agent for the New Age Stations (the “Studio Building”), Sales Agent shall provide to Licensee’s employees and agents the right to access and use sufficient office space, including furnishings and office equipment for the Station’s main studio operations, including sufficient space to permit Licensee to maintain and make available to the public the Station’s public inspection file and otherwise satisfy the applicable “main studio” requirements of the Communications Laws, at such locations in or near the Studio Building, in each case as may be mutually acceptable to Licensee and Sales Agent and as Licensee reasonably requires for the conduct of the business of the Station as contemplated by the terms hereof and in accordance with applicable requirements of the FCC, so long as the provision of such space and the use of such equipment do not unreasonably interfere with the conduct of Sales Agent’s business or operations.

(ii) Sales Agent shall give Licensee and its agents a nonexclusive and unrestricted right of access to the Studio Building at all times, subject only to Sales Agent’s reasonable security procedures applicable to its own employees, for the purpose of fulfilling Licensee’s obligations as an FCC licensee. The right granted under this Section shall include the

incidental benefit and reasonable right of use of utilities (heat, water, electricity) provided for purposes of Sales Agent's own operations. Sales Agent shall provide separate, lockable office facilities for use by Licensee's general manager or other managerial employee(s) and shall permit Licensee to install appropriate signs on the inside and outside of the Studio Building (consistent with applicable local requirements or agreements, if any, governing such signage and with the overall appearance of the Studio Building) identifying Licensee as the owner and licensee of the Station.

(iii) If, at the time of termination of this Agreement, some or all of the Station's operations are co-located in the Studio Building as contemplated by Section 4.3(a)(i) hereof, Licensee shall be given a transition period of not less than twelve (12) months following such termination in which to relocate such operations. During such transition period, Licensee shall have access to the Studio Building in the same manner as during the term of this Agreement. Such transition period may be lengthened upon such terms and conditions as may be mutually agreeable to the parties.

(b) Technical Services.

(i) Beginning as soon as reasonably practicable following the Base Date, Sales Agent shall perform monitoring and maintenance of the Station's technical equipment and facilities and, upon Licensee's request, shall assist Licensee with the installation, repair, maintenance and replacement of the Station's equipment and facilities, and shall complete the construction of the digital facilities of the Station in accordance with the Communications Act, provided all actions of Sales Agent with regard to any of the foregoing shall be subject to the ultimate control and authority of Licensee.

(ii) Beginning as soon as reasonably practicable following the Base Date, Sales Agent shall make available to Licensee, on an independent contractor basis, a staff engineer employed by Sales Agent to assist the Licensee's Chief Operator for the Station in fulfilling his duties as specified by the FCC Rules.

4.4 Excluded Services. (a) Licensee retains all rights with respect to the sale of supplementary or ancillary non-broadcast services on the Station not included within the definition of "Advertisements" in Section 4.1 hereof (collectively, "Excluded Services"), and (b) the commercial inventory and marketing and advertising rights with respect to Excluded Services are not conveyed to Sales Agent under this Agreement, *provided* that the Excluded Services shall not reduce or limit the number or duration of the Advertisements made available to Sales Agent under this Agreement.

4.5 Content Policies. All material furnished by Sales Agent for broadcast on the Station ("Broadcast Material") shall comply with the Communications Laws and applicable federal, state and local regulations and policies, including commercial limits in children's programming. Licensee may preempt or reject any Broadcast Material if Licensee reasonably determines that the broadcast of such material would violate applicable laws or would otherwise be contrary to the public interest. Licensee shall promptly notify Sales Agent of any such rejection, preemption, or rescheduling and shall cooperate with Sales Agent in efforts to fulfill commitments to advertisers and syndicators. Licensee is familiar with the operating standards

followed by Sales Agent in the operation of the New Age Stations, which standards are consistent with those employed by Licensee in the operation of the Station. Schedule 4.5 sets forth Licensee's statement of policy (the "Policy Statement") with regard to the Delivered Programming and the Advertisements. Sales Agent shall ensure that the Advertisements and Delivered Programming are in accordance with this Agreement and Licensee's Policy Statement.

4.6 Public Service Announcements. Sales Agent acknowledges that Licensee may provide time on the Station for the promotion of public service organizations in the form of public service announcements ("PSAs"), and agrees that it will release spot time to Licensee for the broadcast of PSAs at times and in amounts consistent with the past practices of the Station and consistent with Sales Agent's operating policies applicable to the broadcast of PSAs on the New Age Stations. Licensee and Sales Agent shall cooperate in good faith concerning the placement of the PSAs to be broadcast on the Station; *provided, however*, that Licensee shall be ultimately responsible for selecting and obtaining PSAs for broadcast on the Station.

4.7 Trade and Barter Spots. Schedule 4.7 hereto is an accurate and complete list in all material respects as of the date specified thereon of all Station contracts for the sale of advertising time on the Station for non-cash consideration that are in effect as of and will extend beyond the Base Date ("Trade Agreements"). Sales Agent shall comply with and honor all such Trade Agreements, if and to the extent that Trade Agreement spots may be broadcast on a preemptible basis. The dollar value of advertising time on the Station provided to advertisers pursuant to Trade Agreements shall not be included in the computation and determination of Net Sales Revenue for purposes of this Agreement. After the Base Date, Sales Agent and Licensee shall have the right to enter into new contracts for the sale of Advertisements for non-cash consideration, *provided* that both parties agree to each such Trade Agreement and *provided further* that the dollar value of such advertising time on the Station for such Trade Agreements is not included in the computation and determination of Net Sales Revenue for purposes of this Agreement. The parties shall mutually agree as to the use of the non-cash consideration received for each new Trade Agreement. For purposes of this Section 4.7, the term Trade Agreement applies only to the bartering of advertising in return for goods and services other than programming.

4.8 Accounts Receivable. All revenues from the Advertisements broadcast by the Station on or after the Base Date, including revenues derived from advertising sold by Licensee or their agent shall be allocated between Sales Agent and Licensee as set forth in Schedule 3.1.

4.9 Monthly Reports; Books and Records. The following obligations shall begin on the first day of the first full calendar month beginning after the Base Date:

(a) On or before the twenty-fifth (25<sup>th</sup>) day of each calendar month during the Term of this Agreement, Sales Agent shall furnish Licensee with a report regarding Sales Agent's sales by advertiser of the Advertisements, other than Advertisements in or adjacent to Delivered Programming, for the previous calendar month. Licensee shall have the right to review only those books and records of Sales Agent that pertain to the revenues from the sale of such Advertisements.



(b) On or before the twenty-fifth (25<sup>th</sup>) day of each calendar month during the Term of this Agreement, Licensee shall furnish Sales Agent with such financial statements and reports as Licensee prepare in the ordinary course of business as of the Base Date that reflect the costs and expenses incurred by Licensee in operating and maintaining the Station. Sales Agent shall have the right to review only those books and records of Licensee that pertain to the costs and expenses of the Station, including any administrative charges, fees, or other amounts payable to any Affiliate of Licensee.

4.10 Control. Notwithstanding anything to the contrary in this Agreement, Licensee and Sales Agent acknowledge and agree that during the Term of this Agreement, Licensee will maintain ultimate control and authority over the Station, including specifically control and authority over the Station's operations, including finances, personnel, and programming. Without limiting the generality of the foregoing and subject to Sales Agent's rights under Section 4.2 hereof with respect to the Delivered Programming, Licensee shall retain sole responsibility for the selection, development, and acquisition of any and all programming to be broadcast over the Station, as well as the payment therefor, other than those payments associated with the Delivered Programming, subject to Licensee's right to reimbursement in accordance with the terms of Schedule 3.1. To that end, Licensee shall (a) have exclusive authority for the negotiation, preparation, execution and implementation of any and all programming agreements for the Station, and (b) retain and hire or utilize whatever employees Licensee reasonably deems appropriate or necessary to fulfill those programming functions, including at least two full-time employees, one of whom shall be a management-level employee. Except for such two employees and other employees who shall be selected and employed by Licensee, all employees of the Station shall be employed by Sales Agent, subject to the rights and powers of Licensee set forth herein. Sales Agent shall not represent, warrant or hold itself out as the Station's licensee, and all sales material prepared by Sales Agent for the sale of advertising time on the Station shall identify Licensee as the licensee of the Station using mutually agreeable wording and references. Sales Agent shall sell advertising time and enter into all agreements for the sale of time on the Station and for the Delivered Programming in its own name.

## **SECTION 5. OTHER OBLIGATIONS OF THE PARTIES**

5.1 Responsibilities of Licensee. Licensee, at its expense and subject to reimbursement to the extent provided by Schedule 3.1, shall be responsible for and perform the following obligations with respect to the business and operations of the Station during the Term of this Agreement, in accordance with and subject to the following:

(a) Licensee shall bear all responsibility for the Station's compliance with all applicable provisions of the Communications Laws and all other applicable laws. Licensee shall file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body. All programming aired on the Station that is produced in whole or in part by Licensee or any Affiliate of Licensee shall comply in all material respects with Licensee's Policy Statement.

(b) Licensee shall maintain in effect policies of insurance insuring the assets and the business of the Station in accordance with good industry practices and, at the least consistent

with the coverage provided under such policies as were in existence on the day prior to the Base Date.

(c) Licensee shall cause the Station transmitting facility to be maintained at all times in accordance with good engineering practice and with all engineering requirements set forth in the Station's FCC authorizations (except at such time where reduction of power is required for routine or emergency maintenance) and in accordance with the Communications Act. Licensee shall use, operate, and maintain all of the assets of the Station in a reasonable manner. If any loss, damage, impairment, confiscation or condemnation of any of such assets occurs, Licensee shall repair, replace, or restore the assets to their prior condition as soon thereafter as possible, and Licensee shall use the proceeds of any claim under any insurance policy to repair, replace or restore any of the assets that are lost, damaged, impaired or destroyed.

(d) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Station (excluding those costs to be borne by Sales Agent in accordance with Section 5.2 or in connection with these shared services to be provided by Sales Agent to Licensee pursuant to Section 4.3), including the cost of electricity, other utilities and rental or other payments with respect to real property leased by Licensee, taxes, and the salaries, insurance, and other costs for all personnel employed by Licensee.

(e) Licensee shall promptly pay when due, all music rights payments (including, without limitation, music performance rights, synchronization rights, and master use rights), if any, in connection with the broadcast and/or transmission of all announcements, including the Advertisements, and programming on the Station, other than the Delivered Programming.

(f) Licensee shall, consistent with its past practice, make any and all capital expenditures necessary to (i) maintain the Station's current level of technical operation, which shall in no event be lower than generally accepted industry standards, and (ii) subject to Sales Agent's obligations under Section 4.3 hereof, complete the construction of the Station's digital television facilities in accordance with all FCC Rules concerning such digital construction.

(g) Licensee shall be solely responsible for all costs and expenditures associated with the procuring of programming to be aired on the Station, other than those associated with the Delivered Programming. Licensee shall pay over to Sales Agent all funds received by Licensee each year from Twentieth Television, Inc. and any other program syndicator or supplier for promotion of My Network TV and other programming on the station, and Sales Agent shall use all such funds solely for their intended purposes. Licensee shall cooperate with Sales Agent in filing any necessary forms or reports required to obtain co-op reimbursement or other funds to which Sales Agent is entitled under this Section 5.1(g). For the purposes of Schedule 3.1 hereof, Sales Agent's receipt of promotional or co-op payments identified in this Section 5.1(e) shall not be considered a part of Net Sales Revenue. To the extent that any network or program service agreement of Licensee provides that, in exchange for cash payment, additional spot time that otherwise would be used by such network or program service may be released for local sales by the Station, Licensee, upon request by the Sales Agent, will obtain the release of such commercial spot inventory for the placement of Advertisements by the Sales Agent, subject to Sales Agent paying to Licensee the cash amount required for such release.

(h) Licensee shall have the right to supplement the promotional efforts undertaken by Sales Agent, subject to coordinating such efforts with Sales Agent in order to maintain image consistency with Sales Agent's promotional efforts.

(i) Licensee, in consultation with Sales Agent, shall exercise Licensee's rights to mandatory carriage and retransmission consent for cable television and other multichannel video providers in a manner that ensures the maximum possible distribution of the Station's signal on cable, direct-broadcast-satellite, and other multichannel video programming distributors serving communities located in the Market. Subject to the provisions of any network affiliation or other programming agreement, Licensee shall consult and cooperate with Sales Agent in the negotiation, maintenance, and enforcement of retransmission consent agreements with cable, satellite and other multichannel video providers.

(j) Except as otherwise permitted by this Agreement, Licensee shall not take any action or unreasonably omit to take any action which results in or causes (i) a revocation, non-renewal or material impairment of the FCC Licenses, or (ii) a material adverse effect upon the Station's transmitter, antenna and other material assets included in the Station's transmission facility.

(k) Licensee shall list Sales Agent as the exclusive sales representative for the Advertisements in all applicable trade listings and advertising and promotional material if and when such listings and material are published by Licensee.

(l) To the extent permitted under the terms of any applicable agreement, Licensee shall provide to Sales Agent such routine ratings information and ratings reports with respect to the Station as are customarily prepared or obtained by Licensee in the ordinary course of business. Except as otherwise agreed by Licensee and Sales Agent, Licensee shall maintain (including timely payment of all fees) any agreements with A.C. Nielsen Company or its affiliates or other ratings information providers customarily used by Licensee as a source of local station research information for the Station (collectively, the "Ratings Agencies"). At Sales Agent's request, Licensee shall use its commercially reasonable efforts to assist Sales Agent in obtaining from the Ratings Agencies permission to use the Station's ratings information and reports in connection with the sale of the Advertisements.

5.2 Responsibilities of Sales Agent. Sales Agent, at its expense and subject to the provisions of Schedule 3.1, shall be responsible for and perform the following obligations with respect to the marketing and sale of the Advertisements during the Term of this Agreement in accordance with and subject to the following provisions:

(a) Sales Agent shall be solely responsible for (i) all commissions to employees, agencies or representatives and other expenses incurred in its marketing and sale of the Advertisements; (ii) all expenses incurred in its performance of traffic, billing, and collections functions with respect to the Advertisements; (iii) any publicity or promotional expenses and other fees it incurred in performing its obligations under this Agreement; and (iv) all fees related to the software used for sales, traffic, billing and similar functions.

(b) Sales Agent shall be solely responsible for and shall pay in a timely manner the taxes and the salaries, insurance, and other costs for all personnel of the Station, other than personnel employed by Licensee.

(c) Sales Agent shall cooperate with Licensee to assist Licensee in complying with the provisions of the Communications Laws regarding political advertising, including compliance with Licensee's statement disclosing political advertising rates and practices for purchasers of political advertising consistent with applicable FCC Rules ("Disclosure Statement"). Sales Agent shall supply such information promptly to Licensee as may be necessary to comply with the public inspection file, lowest unit rate, equal opportunities, and reasonable access requirements of the Communications Laws. If the Station fails to meet its political time obligations under the Communications Laws based on the advertising sold by Sales Agent, then to the extent reasonably necessary to enable Licensee to cause the Station to comply with its political time obligations, Sales Agent shall release advertising availabilities to Licensee; *provided, however*, that all revenues realized by Licensee from the sale of such advertising time shall be immediately paid to Sales Agent and shall be considered a part of its Net Sales Revenue.

(d) Sales agent shall assist Licensee with the negotiation, maintenance, and enforcement of retransmission consent agreements with cable, satellite, and other multichannel video providers, subject to Licensee's ultimate control and authority.

(e) Sales Agent shall, upon reasonable request of Licensee and subject to the ultimate direction of Licensee's management employee(s), assist Licensee in performing the obligations set forth in Sections 5.1(b) and 5.1(e), in order to enable Licensee to comply with the Communications Laws.

5.3 Delivery of Material for Broadcast. All Broadcast Material shall be delivered to the Station in a format to be agreed upon by Sales Agent and Licensee, in a form ready for broadcast on the Station's existing playback equipment, and with quality suitable for broadcast. Licensee shall not be required to provide production services or to copy, reformat, or otherwise manipulate material furnished by Sales Agent other than inserting tape cartridges or similar broadcast-ready media into machinery or computers for broadcast.

5.4 Provision of Office and Tower Space. Licensee shall provide to employees and agents of Sales Agent and its affiliates the right to access and use space designated by Licensee for Sales Agent's use in the studio building (the "Premises") as reasonably necessary for Sales Agent's performance of its obligations under this Agreement, so long as the provision of such space and right of access and use does not unreasonably interfere with the conduct of Licensee's business or operations. When on the Premises, Sales Agent's personnel shall be subject to the reasonable direction and control of Licensee's management personnel. Licensee shall make available to Sales Agent for use without fee or charge all facilities and equipment of the Station.

5.5 Access to Information. In order to ensure compliance with the Communications Laws and other applicable laws, Licensee shall be entitled to review at its reasonable discretion from time to time any Advertisement or Delivered Programming that Licensee may reasonably request. Sales Agent also shall maintain and deliver to the Station such records and information required by the FCC to be placed in the public inspection file of each Station pertaining to the

sale of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC Rules, and to the sale of sponsored programming addressing political issues or controversial issues of public importance, in accordance with the provisions of Section 73.1212 of the FCC Rules. Sales Agent shall furnish to Licensee upon request any other information that is reasonably necessary to enable Licensee to prepare any records or reports required by the FCC or other governmental entities in connection with the Station. Nothing in this section shall entitle Licensee to review the internal corporate or financial records of Sales Agent. Licensee shall keep confidential any information obtained from Sales Agent in connection with this Agreement, except as and to the extent required by law. If this Agreement is terminated, Licensee shall return to Sales Agent all information obtained by Licensee from Sales Agent in connection with this Agreement.

5.6 Noncompete. Licensee covenants and agrees, on behalf of itself and its respective Affiliates, that during the Term hereof, neither it nor any Affiliate will, without prior written consent of Sales Agent, directly or indirectly, own, manage, operate, control, or engage or participate in the ownership, management, operation, or control of, or be connected as a shareholder, partner, or joint venturer with, any business or organization which engages in the business of television broadcasting within the Grade B contour of the analog broadcast signal of the Station or the 42 dBu noise-limited contour of the DTV signal of the Station. Notwithstanding the foregoing, the ownership of an equity interest of five percent (5%) or less of a publicly traded company that does not otherwise constitute control over such company shall not be prohibited.

5.7 Cooperation. Upon the occurrence of (a) this Agreement being declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction which is not subject to appeal or further administrative or judicial review, or (ii) a change in the Communications Laws that causes this Agreement in its entirety to be in violation thereof and the applicability of such change is not subject to appeal or further administrative review, the parties will use their commercially reasonable efforts and negotiate in good faith to modify this Agreement to the minimum extent necessary so as to comply with such order or decree or the Communications Laws, without material economic detriment to either party, and to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that this Agreement may continue to be effectuated as originally contemplated to the fullest extent possible.

## **SECTION 6. REPRESENTATIONS AND WARRANTIES OF LICENSEE**

Licensee represent and warrant to Sales Agent as follows:

6.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Licensee have been duly authorized by all necessary limited liability company action on the part of Licensee. This Agreement has been duly executed and delivered by Licensee and constitutes the legal, valid, and binding obligation of Licensee, enforceable against Licensee in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

6.2 Absence of Conflicting Agreements or Consents. The execution, delivery, and performance by Licensee of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the organizational documents of Licensee; (c) to Licensee's knowledge, does not conflict with, result in a breach of, or constitute a default under any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Licensee; (d) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Licensee is a party or by which Licensee is bound; and (e) will not create any claim, lien, charge, or encumbrance upon any of the assets of the Station.

6.3 Authorizations. On and after the Base Date, Licensee will hold the FCC Licenses for the lawful operation of the Station and the conduct of the business of the Station in the manner and to the full extent it is currently conducted. To Licensee's knowledge, based solely on the representations and warranties of Mystic Television of Scranton LLC and Mystic Television of Tallahassee LLC pursuant to the WSWB Purchase Agreement, the FCC Licenses have been validly issued and are in full force and effect, and none of the FCC Licenses is subject to any restriction or condition that would limit the operations of the Station as they are currently conducted. Except as set forth in Schedule 6.3, there is not now pending, or to Licensee's knowledge, threatened, any action by the FCC or by any other Person to revoke, cancel, suspend, refuse to renew, or modify any of the FCC Licenses. Licensee is in compliance in all material respects with the FCC Licenses and the Communications Laws.

## **SECTION 7. REPRESENTATIONS AND WARRANTIES OF SALES AGENT**

Sales Agent represents and warrants to Licensee as follows:

7.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Sales Agent have been duly authorized by all necessary limited liability company action on the part of Sales Agent. This Agreement has been duly executed and delivered by Sales Agent and constitutes the legal, valid, and binding obligation of Sales Agent, enforceable against Sales Agent in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

7.2 Absence of Conflicting Agreements and Required Consents. The execution, delivery, and performance by Sales Agent of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the organizational documents of Sales Agent; (c) to Sales Agent's knowledge, does not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Sales Agent; and (d) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the

acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Sales Agent is a party or by which Sales Agent is bound.

## **SECTION 8. INDEMNIFICATION AND REMEDIES**

8.1 Representations and Warranties. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, or covenant contained herein. No notice or information delivered by Licensee shall affect Sales Agent's right to rely on any representation or warranty made by Licensee or relieve Licensee of any obligations hereunder as the result of a breach of any of its representations and warranties.

8.2 By Sales Agent. Sales Agent shall indemnify and hold Licensee and its officers, directors, stockholders, agents and employees harmless against any and all liability (i) for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, violation of any applicable state or federal rule or regulation, or infringement of copyrights and proprietary rights resulting from or relating to the Advertisements, the Delivered Programming, or other material furnished by Sales Agent for broadcast on the Station, along with any fine or forfeiture imposed by the FCC because of the content of such material, and (ii) for the actions or inactions of Sales Agent's employees and representatives in performing their duties under this Agreement, or in acting outside the scope of their employment. Notwithstanding anything to the contrary in this Agreement, in no event shall Sales Agent be liable under this Section 8.2 for punitive, treble, exemplary, consequential, special or other damages that are not actual damages in accordance with applicable law.

8.3 By Licensee. Licensee shall indemnify and hold Sales Agent and its officers, directors, stockholders, agents and employees harmless against any and all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to all material broadcast on the Station that is produced in whole or in part by Licensee or any Affiliate of Licensee or with respect to which Licensee had notice or otherwise should have been reasonably aware, other than the Delivered Programming, along with any fine or forfeiture imposed by the FCC because of the content of such material, and for the actions or inactions of Licensee's employees and representatives in performing their duties under this Agreement, or in acting outside the scope of their employment. If Sales Agent incurs any liability as a result of programming broadcast on the Station that is not furnished by Sales Agent and for which Sales Agent does not have recourse against Licensee under this Section 8.3, Licensee shall cooperate with Sales Agent and take such actions as Sales Agent shall reasonably request to enable Sales Agent to pursue, at Sales Agent's sole expense, such claims as may be available to Sales Agent against the supplier of such programming; *provided, however*, that Sales Agent acknowledges that Licensee make no representation or warranty regarding the availability of any such claim. Notwithstanding anything to the contrary in this Agreement, in no event shall Licensee be liable under this Section 8.3 for punitive, treble, exemplary, consequential, special or other damages that are not actual damages in accordance with applicable law.

8.4 General. Indemnification shall include all liability, costs and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any termination of this Agreement. The obligation of each party to indemnify is

conditioned on the receipt of notice from the party making the claim for indemnification in time to allow the defending party to timely defend against the claim and upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense, subject to the indemnified party's reasonable approval; *provided, however*, that no claim may be settled by an indemnifying party without the consent of the indemnified party, and *provided further* that, if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amount the claimant agreed to accept in settlement.

8.5 Services and Facilities Unique. The parties hereto agree that the services to be provided by each party to the other under this Agreement are unique and that substitutes therefor cannot be purchased or acquired in the open market. For that reason, either party would be irreparably damaged in the event of a material breach of this Agreement by the other party. Accordingly, to the extent permitted by the Communications Laws, either party may request that a decree of specific performance be issued by a court of competent jurisdiction, enjoining the other party to observe and to perform such other party's covenants, conditions, agreements and obligations hereunder, and each party hereby agrees neither to oppose nor to resist the issuance of such a decree on the grounds that there may exist an adequate remedy at law for any material breach of this Agreement.

8.6 Attorneys' Fees. In the event of a default by either party, which results in a lawsuit, or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

## **SECTION 9. MISCELLANEOUS**

9.1 No Partnership or Joint Venture. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership or a joint venture between the parties. Except as otherwise specifically provided in this Agreement, neither party shall be authorized to act as an agent of or otherwise to represent the other party.

9.2 Confidentiality. Each party hereto agrees that it will not at any time during or after the termination of this Agreement disclose to others or use, except as duly authorized in connection with the conduct of the business or the rendering of services hereunder, any secret or confidential information of the other party. To the extent required by the Communications Laws, each party shall place a copy of this Agreement in its public inspection file and shall consult with and agree upon the confidential and proprietary information herein that shall be redacted from such copy.

9.3 Assignment; Benefit; Binding Effect. Neither this Agreement nor any of the rights, interests or obligations of Licensee hereunder shall be assigned, encumbered, hypothecated or otherwise transferred without the prior written consent of Sales Agent; *provided, that*, Licensee may assign their rights and obligations under this Agreement to any assignee or successor in interest of Licensee, as the operator or licensee of the Station, upon written notice to Sales Agent. Sales Agent shall have the unrestricted right to assign to any person or entity all or any part of its rights, interests and obligations hereunder without Licensee's consent. This



Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.4 Force Majeure. Any delay or interruption in the broadcast operation of the Station, in whole or in part, due to acts of God, strikes, lockouts, material or labor restrictions, governmental action, riots, natural disasters or any other cause not reasonably within the control of either party shall not constitute a breach of this Agreement, and neither party shall be liable to the other for any liability or obligation with respect thereto.

9.5 Further Assurances. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

9.6 Press Release. Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby without the prior written consent of the other party; *provided, however*, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

9.7 Unenforceability. If one or more provisions of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, except that, if such invalidity or unenforceability should change the basic economic positions of the parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material questions as to the validity of any provision of this Agreement, the parties shall negotiate in good faith to revise any such provision of this Agreement in an effort to comply with all applicable FCC Rules while attempting to preserve the intent of the parties as embodied in the provisions of this Agreement. The parties hereto agree that, upon the request of either of them, they will join in requesting the view of the staff of the FCC, to the extent necessary, with respect to the revision of any provision of this Agreement in accordance with the foregoing.

9.8 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Licensee:

MPS Media of Scranton, LLC  
75 Baer Road  
Shickshinny, PA 18655  
Attn: Eugene Brown

Fax: \_\_\_\_\_

With a copy (which shall not constitute notice) to:

Hogan & Hartson  
555 13th Street, N.W.  
Washington, DC 20004  
Attn: Mace Rosenstein, Esq.  
Fax: (202) 637-5910

If to Sales Agent: New Age Media of Pennsylvania, LLC  
46 Public Square  
Wilkes-Barre, PA 18701  
Attn: John Parente  
Fax: \_\_\_\_\_

With a copy (which shall not constitute notice) to:

Leventhal Senter & Lerman PLLC  
2000 K Street, N.W.  
Suite 600  
Washington, DC 20006  
Attn: Sally A. Buckman  
Fax: (202) 293-7783

9.9 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of Delaware without reference to the conflict of laws principles thereof.

9.10 Captions. The captions in this Agreement are for convenience only and shall not be considered a part of, or effect the construction or interpretation of any provision of, this Agreement.

9.11 Gender and Number. Words used herein, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

9.12 Counterparts and Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement shall be legally binding and effective upon delivery of facsimile signatures.

9.13 Entire Agreement. This Agreement and the attachments and schedules hereto collectively represent the entire understanding and agreement among the parties hereto with respect to the subject matter hereof. No term or provisions hereof may be changed, modified, terminated or discharged (other than in accordance with its terms), in whole or in part, except by a writing which is dated and signed by all parties hereto. No waiver of any of the provisions or

conditions of this Agreement or of any of the rights, powers or privileges of a party hereto shall be effective or binding unless in writing and signed by the party claimed to have given or consented to such waiver.

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**IN WITNESS WHEREOF**, this Joint Sales and Shared Services Agreement has been executed by the parties hereto effective as of the date first written above.

**LICENSEE:**

**MPS MEDIA OF SRANTON, LLC**

By: \_\_\_\_\_

Name:

Title:

**SALES AGENT:**

**NEW AGE MEDIA OF PENNSYLVANIA, LLC**

By: \_\_\_\_\_

Name:

Title:

## SCHEDULE 4.5

### POLICY STATEMENT FOR BROADCAST MATERIAL

Sales Agent agrees to cooperate with Licensee in the broadcasting of programs of high quality and, for this purpose, to observe the following policies in the preparation, writing and production of Broadcast Material.

1. **CONTROVERSIAL ISSUE.** 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; and Station programs (other than public forum or talk features) 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.
2. **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.
3. **ELECTION PROCEDURES.** At least ninety (90) days before the start of any primary or regular election campaign, Sales Agent will clear with the Licensee the rate Sales Agent 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 the applicable law and the Licensee’s policy.
4. **PROGRAMMING PROHIBITIONS.** Sales Agent shall not knowingly broadcast any of the following programs or announcements:
  - (a) False Claims. False or unwarranted claims for any product or service.
  - (b) Unfair Imitation. Infringements of another advertiser’s rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
  - (c) Commercial Disparagement. Any unlawful disparagement of competitors or competitive goods.
  - (d) Obscenity/Indecency/Profanity. Any programs or announcements that are obscene or indecent, as those terms are interpreted and applied by the FCC. Any programs or announcements that are slanderous, obscene, profane, vulgar, repulsive or offensive, either in theme or treatment.
  - (e) Price Disclosure. Any price mentions except as permitted by Licensee’s policies current at the time.

- (f) Unauthorized Testimonials. Any testimonials which cannot be authenticated.
  - (g) Descriptions of Bodily Functions. Any continuity which describes in a repellent manner internal bodily functions or symptomatic results or internal disturbances, and no reference to matters which are not considered acceptable topics in social groups.
  - (h) Conflict Advertising. Any advertising matter or announcement which may, in the reasonable opinion of Licensee, be injurious or prejudicial to the interest of the public, the Station, or honest advertising and reputable business in general.
  - (i) Fraudulent or Misleading Advertisement. Any advertisement matter, announcement, or claim which Sales Agent knows to be fraudulent, misleading, or untrue.
- 5. **LOTTERIES**. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.
  - 6. **RELIGIOUS PROGRAMMING RESTRICTIONS**. The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times. Broadcast Material shall not be used as medium for attack on any faith, denomination, or sect or upon any individual or organization.
  - 7. **CREDIT TERMS ADVERTISING**. Any advertising of credit terms shall be made over the Station in accordance with all applicable federal and state laws or regulations.
  - 8. **NO ILLEGAL ANNOUNCEMENTS**. No announcements or promotion prohibited by federal or state law or regulation shall be made over the Station. At Licensee's request, any game, contest, or promotion relating to or to be presented over the Station 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.
  - 9. **LICENSEE DISCRETION PARAMOUNT**. In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the FCC Rules, Licensee reserves the right to reject or terminate any Broadcast Material proposed to be presented or being presented over the Station which is in conflict with the Licensee's policy or which in the reasonable judgment of Licensee would not serve the public interest.
  - 10. **PROGRAMMING IN WHICH SALES AGENT HAS A FINANCIAL INTEREST**. Sales Agent shall advise Licensee with respect to any Broadcast Material concerning goods or services in which Sales Agent has a material financial interest. Any announcements for such goods and services for which Sales Agent charges less than its regular rate shall clearly identify Sales Agent's financial interest.

## 11. MISCELLANEOUS.

(a) Waiver. To the extent legally permissible, the parties may jointly waive any of the foregoing policies in specific instances if, in their opinion, good broadcasting in the public interest is served.

(b) Prior Consent. In any case where questions of policy or interpretation arise, Sales Agent will attempt in good faith to submit the same to Licensee for decision before making any commitments in connection therewith.