

## LOCAL MARKETING AGREEMENT

- 1) KAFN AM with FM Translator in Benton
- 2) KZYP AM with FM Translator in Malvern
- 3) KVRC AM in Arkadelphia
- 4) KDEL FM in Arkadelphia
- 5) KWPS FM in Caddo Valley
- 6) KYXK FM in Gurdon

THIS LOCAL MARKETING AGREEMENT (the "LMA") made as of the first (1<sup>st</sup>) day of October 2018 ("Effective Date") is by and between High Plains Radio Network, LLC, a Texas Limited Liability Company (HPRN) and Broadcast Industry Group, an Arizona LLC ("BIG"). Both HPRN and BIG may sometimes collectively be referred to herein as "the Parties" or individually referred to herein as a "Party".

WHEREAS, HPRN is the Licensee of a commercial radio stations 1) KAFN AM with FM Translator in Benton 2) KZYP AM with FM Translator in Malvern 3) KVRC AM in Arkadelphia 4) KDEL FM in Arkadelphia 5) KWPS FM in Caddo Valley 6) KYXK FM in Gurdon (the "Stations"); and

WHEREAS, HPRN wishes to obtain administrative support staff, clerical support staff, marketing, programming, engineering and production services, along with associated support staff and miscellaneous equipment associated therewith for the operation of the Stations ("Services and Equipment"); and

WHEREAS, BIG wishes to provide the Services in Accordance with the terms and conditions set forth in this LMA; and

WHEREAS, HPRN wishes to sell and BIG wishes to purchase the Stations, both parties will have negotiated a definitive purchase and sale agreement as specified in VI.-A at a future agreeable date.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the Parties agree as follows:

### I. SCOPE AND SUBJECT MATTER

#### A. Duties of BIG

1. BIG shall provide the Services during the Term, as defined herein, in such amounts, quantities, and to the degree that BIG, in its reasonable discretion, determines is necessary and proper.
2. BIG shall provide programming, production, and marketing as is reasonably required by HPRN to insure compliance with its responsibilities with the Federal Communications Commission ("FCC").
3. BIG shall provide support staff in management, sales, programming, engineering, clerical and other areas as it deems necessary.
4. BIG shall broadcast an announcement in a form satisfactory to HPRN at the beginning of each hour to identify the Stations and any other announcements that may be required by the FCC.

Except as expressly provided otherwise herein, BIG shall have full authority and power over the operations of the Stations during the Term of this LMA.

#### B. Duties of HPRN

1. HPRN shall provide consulting and assistance for the Stations as required by FCC.
2. Notwithstanding anything to the contrary herein, HPRN shall retain final control, which shall be reasonably exercised, over the policies, programming and operations of the Stations, including the right to;
  - a. decide whether to accept or reject any programming or advertisements; and

- b. insure compliance with the laws of the United States and the State of Texas and the policies of the FCC, including, but not limited to the prohibition on unauthorized transfers or control.
3. HPRN, in its reasonable discretion and in connection with its obligations as a public trustee licensed by the FCC, may require the Stations to air certain programs and require BIG to provide reasonable assistance in the production of such programs. HPRN will exercise this right only in a reasonable manner consistent with its obligation as a public trustee.

## II. TERM AND TERMINATION

### A. Term

1. This LMA shall become effective on the Effective Date and shall be valid for the Term specified unless the LMA is earlier terminated as specified below.
2. The "Term" of the LMA is for a period of FIVE (5) years beginning (Effective date) October 01, 2018 and extending through September 30, 2023.
3. The LMA may be extended for additional terms, when both parties agree mutually to the LMA terms with adjustment as needed.

### B. Termination

1. This LMA may be terminated at any time by either Party:
  - a. if the other Party breaches any provision of this LMA. The Party desiring to terminate shall give the breaching Party written notice stating the nature and character of the breach and allow the breaching Party thirty (30) consecutive calendar days from the date of the notice to correct the breach. If the breach has not been corrected within the thirty (30) day period, this LMA will terminate; or
  - b. if either Party receives written notice that the FCC has concluded that this LMA or any of its terms may be contrary to the public interest of violative of any FCC rule or policy, provided, however, that the Parties agree not to arbitrarily terminate this LMA without first attempting to modify this LMA to bring it into compliance with FCC rules, regulations, and policies.
2. This LMA may be terminated at any time by mutual consent of the Parties.
3. This LMA may be terminated upon the closing of the sale of the Stations to BIG.

### C. Rights and Obligations Upon Termination or Expiration

1. After termination or expiration of this LMA, HPRN will no longer accept Services provided by BIG.
2. All LMA sums paid to the moment of termination or expiration shall be forfeited by BIG and shall become the sole property of HPRN.
3. Regular monthly LMA payments paid by BIG to HPRN prior to termination or expiration during the month-to-month operations of the Stations shall not be refunded to BIG in any event.
4. Following the termination or expiration of this LMA, BIG, in addition to obligations contained in this LMA, shall be responsible for all liabilities, debts and obligations accrued from its lease of airtime and facilities including, but not limited to, accounts payable, barter agreements, trade-out agreements and unaired advertisements. With respect to obligations calling for consideration in the form of airtime, BIG may propose terms or compensations to HPRN for meeting those obligations, but HPRN shall be under no duty to accept such terms or compensations or to perform such obligations.
5. Any office equipment, broadcasting equipment and property additions, upgrades and operational equipment put into service during the Term will remain with the Stations.

## III. PAYMENT, EXPENSES AND RECEIVABLES

- A. BIG shall pay to HPRN the sum as shown on Attachment A (the "Fee"). Any amounts remaining after paying for the Operational Expenses, as defined below, associated with the regular operation of the Stations and payment of the Fee to HPRN shall belong to BIG. So long as HPRN has

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received the "Fee", HPRN will have no claims to the revenues generated by the operation of the Stations.

- B. HPRN will pay for all expenses including, but not limited to insurance, utilities, payroll, all Federal, state and local taxes, repairs, music license fees and other bills that might be incurred in the day-to-day operations of the Stations ("Operational Expenses") and that become due through September 30, 2018 and BIG will pay for all operational expenses as of October 01, 2018 through the end of the lease term.

IV. **RESTRICTIONS**

- A. BIG agrees to abide by the following standards in its programming and operations:
1. Any discussions of controversial issues of public importance shall be balanced with the presentation of contrasting viewpoints in the course of overall programming; furthermore, during the discussion of such controversial issues of public importance, no attacks on the honesty, integrity or like personal qualities of any person or group shall be made.
  2. HPRN shall have the right to review all possibly controversial programming prior to being aired on the Stations as in accordance with HPRN's responsibility as Licensee under the Communications Act of 1934, as amended, and the Rules and Regulations of the FCC, HPRN reserves the right to reject or terminate any advertising proposal to be presented or being presented over the Stations that is in conflict with Stations policy or that, in HPRN's judgment, would not serve the public interest.
  3. Announcements providing any information about lotteries or games, weapons and ammo, pornographic or any other topics that are in violation of Federal or State law or regulation are prohibited.
  4. During the Term of this LMA;
    - a. neither BIG, nor HPRN, will enter into any agreements that would interfere with the operation of the Stations; and
    - b. BIG will not tie the operation of the Stations to any other media or advertising ventures that are represented as third party promotions; and
    - c. At least ninety (90) days prior to the start of any primary or regular election campaign, BIG will clear with HPRN the ad rates BIG will charge for the time to be sold to candidates for public office and/or their supporters to ensure that the rate charged conforms with applicable FCC laws and Stations policy.

V. **REPRESENTATIONS, WARRANTIES AND INDEMNIFICATIONS**

- A. Each Party warrants to the other that:
1. it has the full power and authority to enter into this LMA and to fully perform its obligations hereunder; and
  2. it is under no contractual or other legal obligation which shall in any way interfere with its full, prompt and complete performance hereunder; it is in material compliance with all laws, rules, regulations and court and administrative decrees to which it is subject including, without limitation, all applicable rules and regulations of the FCC.
- B. BIG and HPRN shall each indemnify, defend and forever hold harmless the other, the other's affiliated companies and each of the other's respective officers, shareholders, directors, employees, partners and agents, against and from any and all losses, liabilities, claims, costs, damages and expenses (including, without limitation, fines, forfeitures, attorneys' fees, disbursements and court or administrative costs) arising out of any breach of any term of this LMA or any warranty, covenant or representation contained herein.
- C. Without limiting the provisions of paragraph V.B. hereof, BIG will indemnify, defend and forever hold HPRN against and from any and all losses, liabilities, claims, costs, damages and expenses (including, without limitation, fines, forfeitures, attorneys' fees, disbursements, and court or administrative costs) arising out of any programming or advertising furnished by BIG and airing on the Stations, including, without limitation, any losses, liabilities, claims, costs, damages and expenses based upon any suit, lien, encumbrance, charge, lis pendens, administrative proceeding, government investigation or

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litigation based upon alleged or proven libel, slander, defamation, invasion of right of privacy or right of publicity, or violation or infringement of copyright (including music performance rights for any and all performances on the Stations), obscenity, indecency, or any other form or forms of speech (whether protected or not protected by the Constitution of the United States or any State) or otherwise arising out of the content of the programming or advertising furnished by BIG (provided that HPRN shall, to like extent, indemnify BIG for any deletion or addition of material by HPRN to the Stations which deletion from, or addition to, the programming or advertising gives rise to losses, liabilities, claims, costs, damages and expenses (including, without limitation, fines, forfeitures, attorneys' fees, disbursements and court or administrative costs).

- D. In connection with any indemnification provided for in this Section V., each Party shall so indemnify the other only if such other Party claiming indemnity shall give the indemnifying Party prompt notice of any claim or litigation to which its indemnity applies; it being agreed that the indemnifying Party shall have the right to assume the full defense of any or all negotiations, claims or litigation to which its indemnity applies. The indemnified Party will cooperate fully (at the cost of the indemnifying Party) with the indemnifying Party in such defense and in the settlement of such claim or litigation, and the indemnified Party shall make no compromise or settlement of any such claim without the prior written consent of the indemnifying Party. The settlement of any claim or action by the indemnified Party without the prior written consent of the indemnifying Party shall release the indemnifying Party from its obligations hereunder with respect to such claim or action so settled.
- E. BIG will provide commercial general insurance policy covering all assets of the Stations and will also maintain an active liability coverage policy throughout LMA period.
- F. The representations, warranties and indemnities contained in this Section V. shall continue throughout the Term and the indemnities shall survive the expiration or termination of this LMA, regardless of the reason for such expiration or termination.

VI. **AGREEMENT TO PURCHASE THE STATIONS**

- A. HPRN and BIG have agreed to a potential future sale of the stations to BIG. If at any time during the LMA, HPRN receives an offer from a third party, BIG will have the first option to reply with an offer and to negotiate with HPRN for the purchase of the stations. BIG will have ninety (90) days to deliver a purchase offer and HPRN will have thirty (30) days to reply. If no agreement with BIG is reached after the term of the LMA agreement, HPRN will have the option to sell the stations to a third party. If at any time BIG wishes to purchase the Stations and all associated assets, which include: all FCC Radio Stations primary broadcast license, STL licenses, all related broadcasting equipment, all office fixtures, all logos and associated trademarks of the radio Stations, all advertising sales contracts, all broadcast contracts and all related services including all leases. Terms of the purchase and the transfer of all agreements associated with the Stations, to be agreed to at the time of purchase.
- B. Purchase Option Prices per offer agreement in US Dollars:

A.	Now through the end of 1 year	\$500,000.00
B.	End of 2 years	\$450,000.00
C.	End of 3 years	\$400,000.00
D.	End of 4 years	\$350,000.00
E.	End of 5 years	\$250,000.00

VII. **MISCELLANEOUS**

- A. **Governing Law.** The obligations of BIG and HPRN under this LMA are subject to all applicable federal, state and local laws, rules and regulations (including but not limited to, the Communications Act of 1934, as the same may be amended from time to time, and the rules and regulations of the FCC promulgated thereunder), and this LMA and all matters or issues collateral thereto shall be governed by the laws of the State of Texas without regard to choice of law rules.
- B. **Force Majeure.** Except as herein provided to the contrary, neither BIG nor HPRN shall have any rights against the other Party hereto for failure or delay in the performance of a required obligation if such failure or delay is caused by an act of God; inevitable accident; fire; lockout; flood; tornado; hurricane; strike or other labor dispute; riot or civil commotion; earthquake; war; act of government or governmental instrumentality (whether federal, state or local); failure of

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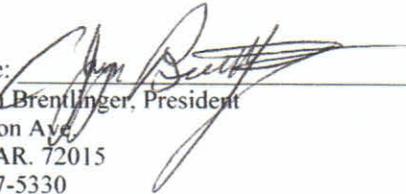


- performance by a common carrier; failure in whole or in part of technical facilities; or other cause (financial inability excepted) beyond such Party's reasonable control. Prompt written notice within ten (10) days of such condition shall be provided. Either Party may terminate this LMA if such force majeure continues for a period of thirty days (30).
- C. **Modification and Waiver.** No failure or delay on the part of either Party in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of each Party herein provided are cumulative and are not exclusive of any right or remedies, which it may otherwise have.
- D. **Assignment.** This LMA may not be assigned or transferred, in whole or in part, by BIG without the prior written consent of HPRN.
- E. **Binding Effect.** This LMA shall be binding upon and inure to the benefits of HPRN, BIG, and their respective successors and assigns.
- F. **Notice.** Any notice or communication given pursuant to this Agreement by any party to any other party shall be in writing and shall be deemed given when personally delivered or when sent by registered or certified mail, return receipt requested, postage prepaid, or by next business day courier service to the parties at their addresses set forth on the signature page or to such other address as any party may hereafter designate to the other party by like notice.
- G. **Counterparts.** This LMA may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute the same instrument.
- H. **No Inference Against the Author.** BIG and HPRN each acknowledge that this LMA was fully negotiated by the Parties and, therefore, no provision of this LMA shall be interpreted against any Party because such Party or its legal representative drafted such provision.
- I. **Headings.** The titles and headings of the sections in this LMA are for convenience only and shall not in any way affect the interpretation of this LMA.
- J. **Integrated Agreement, Previous Agreement.** This LMA, including all Exhibits or Addendum referenced herein, constitutes the complete integrated agreement between the Parties concerning the subject matter hereof. All prior agreements, understandings, negotiations or representations, whether oral or in writing, relating to the subject matter of this Agreement are superseded and canceled in their entirety.
- K. **Severability.** If any provision of this LMA is adjudged by a court to be invalid, void, or unenforceable, the Parties agree that the remaining provisions of this LMA shall not be affected thereby, that the provision in question may be replaced by the lawful provision that most nearly embodies the original intention of the Parties, and that this Agreement shall in any event otherwise remain valid and enforceable.
- L. **Illegality.** Nothing contained in this LMA shall require the commission of any act or the payment of any compensation which is contrary to an express provision of law, contrary to the policy of express law or otherwise contrary to good morals; and if there shall exist any conflict between any provision of this LMA and any such law, policy or morals, the latter shall prevail; and the provision or provisions of this LMA shall be curtailed, limited or eliminated to the extent (but only to the extent) necessary to remove such conflict; and as so modified this LMA shall continue in full force and effect.
- M. **No Joint Venture or Partnership.** Nothing herein contained shall be construed to place the Parties in the relationship of partners or joint venturers nor constitute any Party, the agent of any other Party, and except as specifically provided for herein, neither Party shall have the power to obligate or bind the other Party in any manner whatsoever.
- N. **Fees and Costs.** Each Party expressly acknowledges that they shall be solely responsible for their own attorney's fees and costs in connection with the matter herein. However, in any action to enforce, interpret, or seek damages for violation of this LMA, the prevailing Party shall recover all attorneys' fees, litigation expenses, and court costs.
- O. **Leasehold Improvements and Broadcast Equipment enhancements and installs.** Any and all broadcasting equipment, software installs, and operating systems upgrades, and changes made, will remain with the stations at the end of the LMA.

By signing in the spaces provided below, BIG and HPRN accept and agree to all of the terms and conditions of this Agreement.

Signature page to follow:  
ACCEPTED AND AGREED UPON BY:

**Broadcast Industry Group**  
An Arizona LLC

Signature:   
C. Jayson Brentlinger, President  
920 Edison Ave.  
Benton, AR. 72015  
(480) 747-5330  
cjaybrentlinger@gmail.com

Date: 10-1-2016

**High Plains Radio Network, LLC, LLP**  
a Texas limited liability corporation

Signature:   
Monte Spearman, President  
3218 Quincy St  
Plainview, Tx. 79072  
(806) 777-8542  
monte.pp@hotmail.com

Date: 10-1-18

Attachment A on next page:

Attachment "A"

9-30-18

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**Monthly Startup Projections and Sliding Scale LMA Expenses**

<b>Month</b>	<b>Gross Sales</b>	<b>Monthly LMA Payment</b>
October 2018	\$ 6,000	\$0
November 2018	\$12,000	\$0
December 2018	\$16,000	\$0
January 2019	\$13,000	\$10,000
February 2019	\$16,000	\$12,000
March 2019	\$20,000	\$15,000
April 2019	\$25,000	\$22,000 (or actual whichever is lower)
May 2019	\$30,000	\$25,000 (or actual whichever is lower)
June 2019	\$33,000	\$25,000 (or actual whichever is lower)
July 2019	\$35,000	\$25,000 (or actual whichever is lower)
August 2019	\$35,000	\$25,000 (or actual whichever is lower)
September 2019	\$35,000	\$25,000 (or actual whichever is lower)
October 2019 to 2024	\$ TBD	Actual