

## LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this "Agreement") is made as of November 4, 2016 between Wolfhouse Radio Group Inc., a California corporation ("Licensee"), and Inspiration Media Network, LLC, a California limited liability company ("Programmer").

### Recitals

A. Licensee owns and operates the following radio station (the "Station") pursuant to a license issued by the Federal Communications Commission ("FCC"): KEXA(FM), King City, California (Facility ID #67104).

B. Licensee desires to obtain programming for the Station, and Programmer desires to provide programming for broadcast on the Station on the terms set forth in this Agreement.

C. Licensee (as Seller) and Programmer and an affiliate of Programmer (as Buyer) intend to enter into an Asset Purchase Agreement (the "Purchase Agreement") with respect to the Station at some future date.

### Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Term. The term of this Agreement (the "Term") will begin on a date designated by Programmer that is reasonably acceptable to Licensee, but in no event later than December 1, 2016 (the "Commencement Date"), and will continue from the Commencement Date until the earlier of: (a) the closing date under the Purchase Agreement; and (b) one year from the Commencement Date, unless earlier terminated in accordance with the terms of this Agreement (or extended by mutual written agreement).

2. Programming. During the Term, Licensee shall make available to Programmer all of the airtime on the Station (including the primary and all secondary program streams and ancillary uses) for programming provided by Programmer (the "Programs") for broadcast twenty-four (24) hours per day, seven (7) days per week, excluding at Licensee's option the period from 6:00 a.m. to 8:00 a.m. each Sunday morning (the "Broadcasting Period"). During the Term, Programmer will transmit the Programs to the Station's transmitting facilities and Licensee shall broadcast the Programs on the Station, subject to the provisions of Section 5 below.

3. Advertising. During the Term, Programmer will be exclusively responsible for the sale of advertising on the Station and for the collection of accounts receivable arising therefrom, and Programmer shall be entitled to all revenue of the Station. During the Term, Licensee shall not sell any advertising on the Station, except as provided by Section 6(b).

4. Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will pay Licensee as set forth on Schedule A attached hereto ("Payments"). To the extent reasonably necessary to perform this Agreement, during the Term, Licensee shall provide Programmer with the benefits of any of the Station's contracts and agreements and Programmer shall perform the obligations of Licensee thereunder, to the extent of the benefits received.

5. Control.

(a) Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term. Licensee shall bear responsibility for the Station's compliance with the rules, regulations and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (1) employ a manager for the Station, who will report to Licensee and will direct the day-to-day operations of the Station, and who shall have no employment, consulting, or other relationship with Programmer; (2) employ a second employee for the Station, who will report and be solely accountable to the manager; and (3) retain control over the policies, programming and operations of the Station.

(b) Nothing contained herein shall prevent Licensee from: (1) rejecting or refusing programs which Licensee believes to be contrary to the public interest; or (2) substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities. Licensee reserves the right to: (1) refuse to broadcast any Program containing matter which violates any right of any third party, which constitutes a personal attack, or which does not meet the requirements of the rules, regulations, and policies of the FCC; (2) preempt any Program in the event of a local, state, or national emergency; or (3) delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer.

(c) Programmer shall cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee's instructions. Each party shall deliver to the other a copy of any letters of complaint it receives with respect to the Station and Licensee shall include such letters in the Station's public inspection file as appropriate.

6. Programs.

(a) Licensee acknowledges that it is familiar with the type of programming Programmer intends to produce or license and has determined that the broadcast of such programming on the Station would serve the public interest. Programmer shall ensure that the contents of the Programs conform to all FCC rules, regulations and policies in all material respects. Programmer shall consult with Licensee in the selection of the Programs to ensure that the Programs' content contains matters responsive to issues of public concern in the local communities, as those issues are made known to Programmer by Licensee. Licensee

acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of or license rights in the Programs shall be and remain vested in Programmer.

(b) Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. During the Term, Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political broadcasting provisions of the FCC's rules, the Communications Act of 1934, as amended, and federal election laws. Programmer shall release advertising availabilities to Licensee during the Broadcasting Period as necessary to permit Licensee to comply with the political broadcast rules of the FCC; provided, however, that revenue received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

(c) During the Term, Licensee and Programmer will maintain music licenses with respect to the Station and the Programs, as appropriate.

7. Expenses. Subject to **Section 4**, Licensee will pay for its employees contemplated by **Section 5**, maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Station's broadcast operations in accordance with FCC rules and policies and applicable law, and all utilities supplied to its main studio and transmitter sites. Subject to **Section 4**, Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel.

8. Call Signs. During the Term, Licensee will retain all rights to the current call letters of the Station, as provided above, or any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs an announcement at the beginning of each hour of such Programs to identify such call letters, as well as any other announcements required by the rules and regulations of the FCC. Programmer is authorized to use such call letters in its Programs and in any promotional material in any media used in connection with the Programs.

9. Maintenance.

(a) During the Term, Licensee shall maintain the operating power of the Station at the maximum level authorized by the FCC for the Station and shall repair and maintain the Station's towers and transmitter sites and equipment in normal operating condition (reasonable wear and tear excepted).

(b) Licensee will cooperate with any requests by Programmer to implement STL, RDS and audio processing modifications with respect to the Station.

10. Facilities. During the Term, if requested by Programmer, Licensee shall provide Programmer access to and use of Licensee's transmission facilities (but not studio facilities)

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located in the Station's market for purposes of performing this Agreement. When on Licensee's premises, Programmer shall not act contrary to the terms of any lease for such premises or interfere with the business and operation of Licensee's use of such premises.

11. Representations. Programmer and Licensee each represent and warrant to the other that: (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby; (ii) it is in good standing in the jurisdiction of its organization and is qualified to do business in the State of California; (iii) it has duly authorized this Agreement, and this Agreement is binding upon it; and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

12. Purchase Agreement. This Agreement shall terminate automatically upon Closing under the Purchase Agreement. This Agreement may be terminated by either party by written notice to the other in the event of any expiration or termination of the Purchase Agreement.

13. Events of Default; Termination.

(a) The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement: (i) Programmer fails to observe or perform any obligation contained in this Agreement in any material respect; or (ii) Programmer breaches any representation or warranty made by it under this Agreement in any material respect.

(b) The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement: (i) Licensee fails to observe or perform any obligation contained in this Agreement in any material respect; or (ii) Licensee breaches any representation or warranty made by it under this Agreement in any material respect.

(c) Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until fifteen (15) calendar days after the non-defaulting party has provided the defaulting party with written notice specifying the Event of Default and such Event of Default remains uncured. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to this Section, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party. This Agreement may also be terminated by Licensee if the Purchase Agreement is terminated for any reason.

14. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability arising from the broadcast of the Programs on the Station, including without limitation all liability for indecency, 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 or any other violation of third party rights or FCC rules or other applicable law. Licensee shall indemnify and hold Programmer harmless against any and all liability arising from the broadcast of Licensee's programming on the Station, including without limitation all liability for indecency, 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 or any other violation of third party rights or FCC rules or other applicable law. The obligations under this Section shall survive any termination of this Agreement.

15. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, which consent cannot be unreasonably withheld. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

16. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal, or unenforceable under any applicable law, then so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC, and that Licensee shall place a copy of this Agreement in the Station's public inspection file.

17. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or electronic mail transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third (3rd) day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Licensee, then to:

Wolfhouse Radio Group, Inc.  
548 E. Alisal Street, Suite A  
Salinas, CA 93905  
Attn: Hector Villalobos  
Email: [HVilla22@aol.com](mailto:HVilla22@aol.com)

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

Lerman Senter PLLC  
2001 L Street, N.W., Suite 400  
Washington, DC 20036  
Attention: Nancy Ory  
E-mail: [nory@lermansenter.com](mailto:nory@lermansenter.com)



if to Programmer, then to:

Inspiration Media Network, LLC  
302 East Beach Street  
Watsonville, CA 95076  
Att: Daniel Alcantar  
Email: [ministeriosabrego@yahoo.com](mailto:ministeriosabrego@yahoo.com)

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

Fletcher, Heald & Hildreth, PLC  
1300 North 17th Street, 11th Floor  
Arlington, VA 22209  
Attn: Francisco R. Montero  
Email: [montero@fhhlaw.com](mailto:montero@fhhlaw.com)

18. Miscellaneous. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or joint venture between the parties. Neither party shall be authorized to act as an agent of or otherwise to represent the other party. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof. This Agreement (including the Schedule hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

19. Certifications. Licensee certifies that it maintains ultimate control over the Station's facilities including, specifically, control over the Station's finances, personnel and programming. Programmer certifies that this Agreement complies with the provisions of 47 C.F.R. Sections 73.3555(a) and (c).

[SIGNATURE PAGE FOLLOWS]

Handwritten signature and initials in the bottom right corner of the page.

**SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT**

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

**LICENSEE:**

**WOLFHOUSE RADIO GROUP, INC.**

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

Name: Hector Villalobos

Title:

**PROGRAMMER:**

**INSPIRATION MEDIA NETWORK, LLC**

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

Name: Daniel Alcantar

Title: