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March 28, 2016

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Received & inspected

MAR 30 2016

FCC Mail Room

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington DC 20554

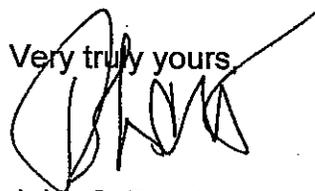
Re: Radio Station WMIR (AM), Atlantic Beach, SC (Fac. Id No. 41499);
Time Brokerage Agreement and Option Agreement Submission

Dear Madam Secretary:

On behalf of Cumberland A & A Corporation, Licensee of Radio Station WMIR (AM), Atlantic Beach, South Carolina (FCC Facility ID No. 41499) ("Station"), please accept for filing the accompanying Time Brokerage Agreement and Option Agreement between the Licensee and the Time Broker, Colonia Radio Group, Inc. Confidential or proprietary information has been redacted where appropriate. Copies shall be placed in the Public Inspection Files of the Stations as well.

If you have any questions, please contact this office.

Very truly yours,



John C. Trent

cc: Public Inspection File

Redacted

TIME BROKERAGE AGREEMENT

THIS TIME BROKERAGE AGREEMENT ("Agreement") is entered into this 18 day of February, 2016 by and between COLONIAL RADIO GROUP, INC., a North Carolina corporation ("Time Broker") and **CRS Radio Holdings, Inc.**, a North Carolina corporation and Cumberland A & A Corporation, a North Carolina corporation (collectively, "Licensee").

WITNESSETH:

WHEREAS, Licensee (CRS) owns and operates Radio Stations WFBX-AM licensed to Spring Lake, North Carolina FCC Facility ID No. 19875; and WFAY-AM licensed to Fayetteville, North Carolina FCC Facility ID NO. 72055; and Licensee (Cumberland A&A) owns and operates Radio Station WMIR-AM licensed to Atlantic Beach, South Carolina FCC Facility ID No. 41499 (the "Stations") and desires to provide high-quality informational and entertainment programming in its service area; and

WHEREAS, Time Broker is an experienced broadcaster and desires to purchase the available schedule of the Stations' broadcast time;

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

1. **PROGRAMMING.**

Subject to the rules and policies of the FCC and the limitations contained herein, Licensee agrees to provide broadcast assistance services to Time Broker, and to broadcast on the Stations, or cause to be broadcast, a weekly schedule programming presented to it by Time Broker, including music and other entertainment programs, non-entertainment programs and commercials as selected by Time Broker in its sole discretion (the "Programming"), for Stations' entire broadcast schedule except for those hours reserved by Licensee as set forth below.

Licensee may produce or present up to one (1) hour a week of programming to be aired on the Stations between 6 a.m. and 8 a.m. on Sundays, or at

such other times as Licensee reasonably deems necessary to meet the needs of the Stations' listeners. Licensee's public affairs program shall respond to the issues, needs and interests of the communities of Spring Lake, Fayetteville and Atlantic Beach which Licensee has ascertained, and shall be presented at times deemed by Licensee to best meet its listeners' needs. Licensee shall maintain a complete public file and compile all required quarterly Issues/Programs Lists (as required by the Federal Communications Commission ("FCC")). Time Broker shall give Licensee copies on a weekly basis of all operating and programming information necessary to maintain those records required to be kept by the FCC's rules and polices including, without limitation, EAS announcements, stations operating logs and daily program logs.

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

Time Broker shall insert in each week's Programming, without charge to Licensee, up to 10 public service announcements ("PSAs"), each of which will not exceed sixty (60) seconds in duration. Such PSAs shall be selected by Licensee in its sole discretion to meet its community service obligations, and the insertion of such PSAs in the Programming shall not entitle Time Broker to any payment credits.

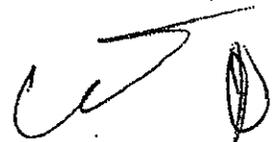
Time Broker will maintain the ability to deliver the Programming to Licensee's transmitter site by means acceptable to Licensee, and in accordance with FCC technical standards.

2. **PAYMENTS.** For broadcast of the Programming as provided hereunder, Time Broker hereby agrees to promptly pay Licensee the amounts specified in Attachment 1. Monthly payments for the Programming are due and payable on the fifteenth (15th) day of each broadcast month. A late fee on One Hundred Dollars \$100.00 will be assessed if the payment is not received by the twenty-fifth (25th) day of the month.

3. **TERM.** The term of this Agreement shall be for an initial term of twelve (12)

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months from the Effective Date of this Agreement, March 1, 2016 at 12:01 a.m. At Time Broker's option, provided there is no event of default existing hereunder, this agreement may be extended for two (2) additional twelve month terms.

4 PROGRAMMING STANDARDS; RECORD-KEEPING.

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

During the term of this Agreement, Time Broker shall maintain and deliver to the Stations such records and information required by the FCC to be placed in the public inspection files of the Stations pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1930, 73.1940 - 73.1944, and 73.3526 of the FCC's rules, and pertaining to the broadcast of sponsored programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Section 73.1212 of the FCC's rules. Time Broker shall also consult with the Licensee and adhere strictly to statutes and the rules, regulations and policies of the FCC, as announced from time to time, and with the policies set forth in **Attachment 2**, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to "equal opportunities" and the carriage of contrasting points of view as mandated by any "fairness" rules with respect to such "issue-oriented" advertising or programming as may be broadcast) and the charges permitted therefore. Specifically, at least ten (10) days before the start of any primary or regular election campaign, Time Broker will clear with Licensee's General Manager the rate Time Broker 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

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applicable law and Stations policy. Within twenty-four (24) hours of any request to purchase time in the Programming for or on behalf of a candidate for public office or to support or urge defeat of a ballot issue, Time Broker will report the request to the Stations' General Manager so that appropriate records may be kept as to the request for such time and the disposition thereof. In general, Time Broker will provide to the Stations such documentation relating to such programming as Licensee shall reasonably request and shall indemnify the Licensee for any claim, demand, cost or expense (including reasonable attorneys' fees) arising from the inclusion of any such material in the Programming provided to the Stations during the term of this Agreement.

Licensee shall not be required to receive or handle mail, cables, telegraph or telephone calls in connection with the Time Broker's programs but, in accordance with the provisions of Section 1.2 hereof, Licensee shall be advised promptly by Time Broker of any public or FCC complaint or inquiry concerning such programming, and Licensee shall be given the originals of any letters from the public, including complaints, concerning such programming for inclusion in the Stations' public records file as required by the FCC.

5. EXPENSES.

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

Licensee will be solely responsible for payment of all Stations expenses necessary to fulfill Licensee's FCC obligations and to transmit the Programming, and will be responsible for the salaries, taxes, insurance and related costs for Licensee's Stations personnel. Without limiting the generality of the foregoing, Licensee will be responsible for all costs associated with the maintenance of Stations' tower, transmitter and antenna, electrical power at the Stations' main studio and from the studio to the transmitter site, lighting, heating and cooling at the main studio and transmitter sites, maintenance of the Stations' local public records file, rent, and all other expenses associated with maintaining the Stations' main studio but the Parties specifically agree and understand that the Time Broker shall reimburse Licensee for **all**



said costs noted above.

6. OPERATION OF STATIONS.

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

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

Licensee shall provide and pay the costs of (a) its General Manager, Gardner H. Altman, Jr. ,for the Stations, who shall report and be accountable solely to Licensee and who shall direct the day-to-day operations of the Stations, and

(b) such other engineering, administrative and programming personnel as are necessary to fulfill its obligations to the FCC and under this Agreement, including but not limited to all costs of performing required meter readings and of manning any remote control facilities associated with the Stations' main transmitting system as necessary to meet FCC operating requirements.

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

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

Licensee shall be responsible for meeting all of its requirements

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with respect to its local service obligations including, but not limited to, compliance with stations identification requirements, maintaining a fully operational main studio within the Stations' principal community contour, and broadcasting its own issue-responsive programming.

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

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

8. **FORCE MAJEURE.** Any failure or impairment (*i.e.*, failure to broadcast at Stations' full authorized height and power) of facilities or any delay or interruption in broadcast programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or *force majeure* or due to causes beyond the control of Licensee shall not constitute a breach of this Agreement and Licensee will not be liable to Time Broker, except to the extent of allowing, in each such case of a failure or interruption lasting forty-eight (48) hours or more, an appropriate payment credit for time or broadcasts not provided based upon a *pro rata* adjustment to amounts due as specified in **Attachment 1** based upon the length of time during which the failure or impairment exists.

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

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

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

12. **INDEMNIFICATION; WARRANTY.**

Each party warrants that it will indemnify and hold harmless the other party, and its directors, officers, employees, agents and affiliates, from and against any and all liability, including without limitation all consequential damages and attorneys fees, arising out of or incident to the programming furnished by the party or the conduct of the party, its employees, contractors or agents. Without limiting the generality of the foregoing, each party will indemnify and hold and save the other, and its directors, officers, employees, agents and affiliates, harmless against liability for libel, slander, infringement of trade marks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the programming furnished by it. Time Broker will maintain customary amounts of libel and slander insurance and name Licensee as an additional insured party.

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

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

related agreement.

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

13. EVENTS OF DEFAULT.

The following shall, after the expiration of the applicable cure period, constitute "Events of Default" under the Agreement:

(a) *Non Payment.* Time Broker's failure to timely pay the consideration provided for in Paragraph 2 and **Attachment 1** hereof within ten (10) days of the due date;

(b) *Default in Covenants.* Time Broker's or Licensee's failure to observe or perform any material term, covenant, warranty, condition or agreement contained herein; or

(c) *Breach of Representation.* Time Broker's or Licensee's material breach of any representation or warranty herein, or in any certificate or document furnished pursuant to the provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

(d) *Denial of Access.* Licensee's refusal to provide Time Broker with access to the broadcast facilities of Stations in violation of Licensee's obligations under this agreement, where such denial of access is not based on Licensee's good faith reasonable determination that the public interest, convenience and necessity requires such denial.

An Event of Default other than non-payment shall not be deemed to have occurred until ten (10) days after the non-defaulting party has provided the other party with written notice specifying the event or events that is not cured would constitute an Event of Default and specifying the actions necessary to cure within such period. This period may be extended (only in writing and only by the non-defaulting party) for a reasonable period of time if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the other party. In the event of a default for



non-payment, Time Broker shall have five (5) days from the date of the default in which to cure said default.

Either party shall have the right to terminate this Agreement immediately in the event of an uncured Event of Default by the other party, provided, that the terminating party is not also in material breach of this Agreement.

14. OPTION FOR PURCHASE.

Time Broker and Licensee have entered into an Option Agreement for the purchase and sale of substantially all of the assets used or held by Licensee in connection with the operation of Stations (the "Option Agreement"). It is understood and agreed that an application for Commission Consent to the assignment of the FCC licenses of the Stations from Licensee to Time Broker ("Assignment Application") may be filed should the Time Broker exercise the Option.

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

Time Broker understands that if there exists an uncured default on its part, that the Licensee, at his discretion, may terminate the Option Agreement subsequent to ten (10) days written notice of default and the failure to timely cure said default.

15. REPRESENTATIONS AND WARRANTIES. Each party hereby represents and warrants to the other that it is legally qualified, empowered, and able to enter into this Agreement, and that this Agreement has been reviewed by its counsel.

16. MODIFICATION AND WAIVER. No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing signed by the party against whom the waiver is sought to be enforced, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

17. NO WAIVER; REMEDIES CUMULATIVE. No failure or delay on the part of Licensee or Time Broker 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 a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Licensee and Time Broker herein provided are cumulative and are not exclusive of any right or remedies which they may otherwise have.

18. **REQUIRED CERTIFICATIONS.**

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

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

19. **CONSTRUCTION; COMPLIANCE WITH FCC REQUIREMENTS.**

This Agreement shall be construed in accordance with the laws of the State of North Carolina other than the choice of law provisions of such state, and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations and policies of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current FCC policy for brokerage agreements and agree that they shall negotiate in good faith to meet any FCC concern with respect to it if they are incorrectly interpreting current FCC policy or that policy is modified. If the parties cannot agree to a modification or modifications deemed necessary by either party to meet FCC requirements, the termination provisions of Paragraph 20 below shall apply. The parties further agree that they will submit to the FCC a copy of this agreement as soon as practicable after execution so that the FCC will



be aware of the parties' plans.

20. **TERMINATION.** This Agreement may be terminated:

if the FCC advises it to do so to comply with the FCC's rules or policies; or

subsequent to ten (10) days written notice and failure of defaulting party to timely cure said default because of an Event of Default by the other party, and the party giving notice of termination is not itself in material default thereunder; or

by Time Broker at any time after the initial Term upon sixty (60) days advance notice to Licensee; or

as a result of the consummation of the sale of the assets and licenses of Stations pursuant to the Option agreement between the parties.

21. **ALLOCATION OF REVENUES.**

All income received by Time Broker during the Term of this Agreement for the sale of air time on the Stations which is in payment for advertising aired prior to the commencement of the Term of this Agreement shall be paid by Time Broker to Licensee every thirty (30) days together with an accounting thereon for a period of one hundred twenty (120) days.

Upon the expiration of this Agreement or early termination as provided in Section 20 above, all income received by Licensee subsequent to such termination or expiration which is in payment for advertising sold by Time Broker during the term of this Agreement shall be paid to Time Broker by Licensee every thirty (30) days together with an accounting thereon for a period of one hundred twenty (120) days.

22. **HEADINGS.** The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

23. **SUCCESSORS AND ASSIGNS.** This Agreement may be assigned by Licensee to an assignee or transferee of the FCC License for the Stations. Time Broker may not assign this agreement.

24. **COUNTERPART SIGNATURES.** This Agreement may be signed in one or more

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counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the same original or the same counterpart.

25. **EFFECTIVE DATE.** Stations broadcasts of Programming produced by Time Broker shall begin at 12:01 a.m. on March 1, 2016.

26. **NOTICES.**

Any notices to be given under this Agreement by either party to the other may be effected by certified mail, postage prepaid with return receipt requested, or by USPS Express air service, overnight air courier service or same day delivery service. Notices shall be addressed to the parties at the addresses given below, but each party may change its address by written notice in accordance with this paragraph.

The telefax number of each party is also specified below:

If to Licensee:

Gardner H. Altman, Jr., Esq.
President
CRS Radio Holdings, Inc.
P O Box 234
White Oak, NC 28399
Tel: 910-866-5267
Email: ghajr@ghajr-pa.com

If to Time Broker:

Jeffrey M. Andrulonis
Colonial Radio Group, Inc.
2086 Old State Road
Mainesburg, PA 16932
Tel: 570-447-2228
Email: jeff@andrulonis.com



Notice shall be deemed to have been given three (3) business days after mailing if sent by registered or certified mail, or on the next business day if sent by USPS express mail, overnight air courier, or same day delivery service. Notification by telephone facsimile shall not constitute Notice for purposes of this Section.

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

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

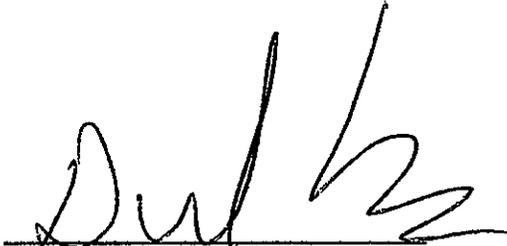
29. **NO JOINT VENTURE.** The parties agree that nothing herein shall constitute a joint venture between them. The parties acknowledge that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties and that neither party shall obtain any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

[THE NEXT PAGE IS THE SIGNATURE PAGE ONLY]



[SIGNATURE PAGE]

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


Witness

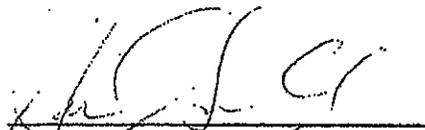
Time Broker:

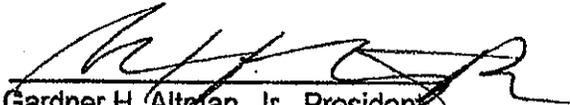
COLONIAL RADIO GROUP, INC.


Jeffrey M. Andrulonis, President

Licensee:

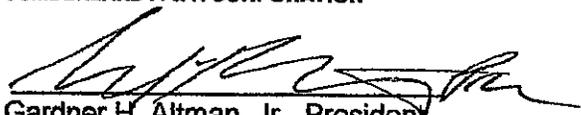
CRS RADIO HOLDINGS, INC.


Witness Howard S. Smith


Gardner H. Altman, Jr., President


Witness Howard S. Smith

CUMBERLAND A & A CORPORATION


Gardner H. Altman, Jr., President

PAYMENTS AND FEES

Monthly TBA Fee.

Reimbursements

Refunds and Payment Credits

Provided Time Broker is not in breach of this Agreement, Broker shall be entitled to a credit against the next month's regular guaranteed payment due to Licensee, or, in the event of termination as provided for in the Agreement, a partial, *pro rata* refund of the past month's regular payment, for all broadcast time utilized by Licensee, or otherwise not made available to Broker, as follows:

Where Licensee preempts the programming for Special Events or other non-emergency Broadcasts, as provided for in the Agreement; or

Where Licensee substitutes Licensee's own programming for Broker's scheduled programming, where, in the judgment of Licensee, such programming would be more suitable; provided that the Broker programming substituted does not directly violate any of the Regulations and Restrictions of Licensee as set forth in **Attachment 2**, or of the Rules and Regulations of the FCC.

No payment credit or refund shall be due to Broker:

For broadcast time reserved by Licensee to meet its community service programming obligations, as set forth in the Agreement; or

For time made available to broadcast a maximum of 10 public service announcements (PSA's) per week; or

For substituted programming time, when, in the good faith reasonable discretion of Licensee, the proposed programming of Broker is in direct violation of the Regulations and Restrictions on Programming set forth in **Attachment 2**, or violates the Rules and Regulations of the FCC.

For time made available to broadcast any and all announcements and programs required to be broadcast under FCC Rules, Regulations and Policies, including, but not limited to, Stations



Identification, Sponsorship Identification, Responses to Stations
Political Editorials, Responses to Personal Attacks, and equal
broadcast opportunities under the Commission's political broad cast
rules and the Communications Act.

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PROGRAMMING RULES AND POLICIES

Broker agrees to cooperate with Licensee in the broadcasting of programs of the highest possible standard of excellence and for this purpose to observe the following regulations in the preparation, writing and broadcasting of its programs.

CONTROVERSIAL ISSUES. 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 or persons shall be made during the discussion of controversial issues or public importance; and during the course of political campaigns, programs 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.

NO PLUGOLA OR PAYOLA. The following business activities or "plugs", relating to the payment, acceptance of payment, agreement to pay or agreement to accept payment of money or other consideration is prohibited: (a) taking money, gifts or other compensation from any person for the purpose of playing any record or records on the air; (b) taking money, gifts or other compensation from any person for the purpose of refraining from playing any record or records on the air; (c) taking money, gifts or other compensation from any person for the purpose of promoting any business, charity or other venture without first informing the Stations' General Manager, and (d) promoting any business venture which is unconnected with the Stations on the air without first informing the General Manager.

ELECTION PROCEDURES. At least ten (10) days before the start of any primary or regular election campaign, Time Broker will clear with the Stations' general manager the rate Time Broker will charge for the time to be sold to candidates for the public office and/or their supporters to make certain that the rate charged is in conformance with the applicable law and stations policy.

PROGRAMMING PROHIBITIONS. Time Broker shall not broadcast any of the following programs or announcements:

False Claims. False or unwarranted claims for any product or service.

Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.

Indecency. Any programs or announcements that are slanderous,



obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment.

LOTTERIES, NUMBERS AND GAMBLING.

Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited. This prohibition includes announcements with respect to bingo parties and the like which are to be held by a local church, unless expressly permitted by State law.

No "Dream Books". References to "dream books", the "straight line", or other direct or indirect descriptions or solicitations relative to the illegal numbers lottery, "numbers game", or the "policy game", or any other form of gambling are prohibited.

No Numbers Games. References to chapter and verse numbers, paragraph numbers, or song numbers which involve three digits should be avoided and, when used, must be related to the overall theme of the program.

REQUIRED ANNOUNCEMENTS. Time Broker shall broadcast an announcement in a form satisfactory to Licensee the following Announcements:

Stations I.D. At the beginning of each hour to identify Stations.

Time Broker Sponsored Programming. An announcement at the beginning and end of each broadcast day to indicate that program time has been purchased by Time Broker.

Any other announcements that may be required by law, regulation, or Stations policy.

RELIGIOUS PROGRAMMING RESTRICTIONS. Any programming broadcast by the Time Broker is subject to the following restrictions:

Respectful of Faiths. The subject of religion and references to particular faiths, tenets, and customs shall be treated with respect at all times.

No Denominational Attacks. Programs shall not be used as a medium for attack on any faith, denomination, or sect or upon any individual or organization.

Donation Solicitation. Requests for donations in the form of a specific amount, for example, \$1.00 or \$5.00, shall not be made if there is any suggestion that such donation will result in miracles, cures or prosperity. However, statements generally requesting donations to support the broadcast or the church are permitted.

No Ministerial Solicitations. No invitations by the minister or other individual appearing on the program to have listeners come and visit him or her for consultation or the like shall be made if such invitation implies that the listeners will receive consideration, monetary gain, or cures for illness.

No Miracle Solicitation. Any invitations to listeners to meet at places other than the church and/or to attend other than regular services of the church

is prohibited if the invitation, meeting, or service contains any claim that miracles, cures, or prosperity will result.

News. Time Broker shall broadcast a minimum of one (1) news programs per day, Monday through Friday. The newscasts may combine national, regional and local news.

MISCELLANEOUS.

Waiver. Licensee may waive any of the foregoing regulations in specific instances if, in its opinion, good broadcasting in the public interest is served.

Prior Consent. In any case where questions of policy or interpretation arise, Time Broker should submit the same to Licensee for decision before making any commitments in connection therewith.



ATTACHMENT 3

EXPENSES TO BE BORNE BY TIME BROKER

Casualty and liability insurance in amounts comparable to standard industry practice.

All programming and production costs of Time Broker, including salaries, payroll and unemployment taxes, merchandise, talent fees, supplies, draws and commissions.

Reimbursement for all costs incurred by Licensee in the operation of the Stations.

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

ANTI-PAYOLA / PLUGOLA AFFIDAVIT

I, _____, an employee of _____, do hereby state and affirm the following:

(a) That I have read the notices posted at Radio Stations WFBX, WFAY and WMIR (the "Stations"), and have received copies of Section 73.1212 of the Federal Communications Commission's Rules and Regulations;

(b) That I have been fully informed and advised that it is a policy of the Stations to fully comply with the above Rules of the Federal Communications Commission and the laws of the United States;

(c) That neither I nor any member of my immediate family have any present direct or indirect ownership interest in (other than an investment in a corporation whose stock is publicly held), serve as an officer or director or, whether with or without compensation, or serve as an employee of, any person, firm or corporation engaged in:

- 1) The publishing of music;
- 2) The production, distribution (including wholesale and retail sales outlets), manufacture or exploitation of music, films, tapes, recordings or electrical transcriptions of any program material intended for radio broadcast use;
- 3) The exploitation, promotion or management of persons rendering artistic, production and/or other services in the entertainment field;
- 5) The wholesale or retail sale of records intended for public purchase;
- 6) Advertising on Stations, or any other stations owned by its licensee (excluding nominal stockholdings in publicly owned companies).

- (d) That I have not and will not:
- 1) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of playing any record or records on the air;
 - 2) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of refraining from playing any record or records on the air;
 - 3) take or receive any money, gift or other remuneration from any person, company or other entity for the purpose of promoting any business, charity or venture on the air without first informing the Stations' General Manager;
 - 4) promote any personal business venture which is unconnected with the stations without first informing the Stations' General Manager.

(e) That I have been advised and understand that failure to comply with the above rules and requirements will be grounds for my immediate dismissal without prior notice.



Subscribed and sworn to before me

this _____ day of _____, 2016.

Notary Public: _____

My Commission Expires: _____



OPTION AGREEMENT

Entered into Between

**CRS RADIO HOLDINGS, INC.
&
CUMBERLAND A & A
CORPORATION**

[Collectively,
"OPTIONOR"]

And

**JEFFERY ANDRULONIS
AND
COLONIAL RADIO GROUP, INC.**

[collectively, OPTIONEE]

Pertaining to

Radio Stations

**WMIR-AM
Atlantic Beach, SC
WFAY -AM
Fayetteville, NC**

**WFBX-AM
Spring Lake, NC**

February 18, 2016

CS *P*

OPTION AGREEMENT

This is an OPTION AGREEMENT ("Agreement") entered into this 18th day of February __, 2016 by and among Jeffery M. Andrulonis and Colonial Radio Group, Inc. (collectively, the "Optionee"), and **CRS Radio Holdings, Inc.**, a North Carolina corporation ("CRS") and Cumberland A & A Corporation ("Cumberland"), (CRS and Cumberland are individually and collectively, the "Optionor").

WITNESSETH:

WHEREAS, Cumberland is the Licensee of Radio Station WMIR-AM licensed by the Federal Communications Commission ("FCC" or "Commission") to operate on 1200 kHz at Atlantic Beach, SC. (FCC Facility ID No. 41499); and

WHEREAS, CRS is the licensee of Radio Station WFAY-AM licensed by the Federal Communications Commission ("FCC" or "Commission") to operate on 1230 KHz at Fayetteville, NC (FCC Facility ID No. 72055); and

WHEREAS, CRS is the licensee of Radio Station WFBX-AM licensed by the Federal Communications Commission ("FCC" or "Commission") to operate on 1450 KHz at Spring Lake, NC (FCC Facility ID No. 19875); and

WHEREAS, CRS, Cumberland and Colonial Broadcasting Company, Inc. have entered into a Time Brokerage Agreement ("TBA") whereby Optionee shall, *inter alia*, provide substantially all of the programming for Stations;

WHEREAS, Optionee desires to acquire an exclusive Option to acquire certain of the assets of CRS & Cumberland used in the Stations' operation, including all permits, authorizations and licenses issued by the FCC, in accordance with the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual promises set forth in this Option Agreement, the parties, intending to be legally bound, agree as follows:

- 1) **Option Rights.**
 - (a) **Grant of Option.** CRS & Cumberland hereby grant to

Jeffery M. Andrulonis and Colonial Radio Group, Inc. or their assigns an exclusive Option to acquire all of the assets of CRS and Cumberland used in the Stations' operation, including, but not limited to: all FCC construction permits, licenses and other authorizations of the Stations, certain broadcast equipment, furniture, fixtures, and other tangible and intangible property (including those leases of real and personal property used in the operation of the Stations) and all replacements of such assets up to and including the date of Closing, as defined herein, and all rights, contracts, leases, rights-of-way held by CRS & Cumberland, pertaining to the operation of the Stations (the "WFBX-AM, WFAY-AM AND WMIR-AM Assets"), free and clear of all liens, mortgages, judgments or other encumbrances of any kind, in accordance with the terms and conditions set forth below. The herein set forth grant of option vesting in and to the Optionee the right to acquire assets is subject to and conditioned upon the timely and full performance of all obligations and responsibilities of the Optionee pursuant to the terms and provisions of the Time Brokerage Agreement entered into by and between the parties hereto as a companion agreement.

(b) Purchase Price. If Optionee exercises this Option at any time during the effective period of the Time Brokerage Agreement, the Purchase Price to be paid by Optionee for the WFBX-AM, WFAY-AM AND WMIR-AM Assets shall be **Six Hundred Fifty Thousand Dollars (\$650,000.00)**. In addition to the option to purchase the above described assets, the Optionee shall have the further option to purchase the translators utilized in connection with or related to the subject radio stations. The purchase price to be paid by the Optionee for said translators shall be the total amount paid or disbursed to third parties (i.e., sellers/transferees of said translators, attorneys, engineers, equipment vendors, etc.) by the Optionor in connection with or in consideration of said translators (currently \$102,778.25). In addition to the above described sum, an amount equaling Twelve Percent (12%) per annum interest from the date of disbursement in connection with the total amount paid by the Optionor in connection with or related to the subject translators (specifically not the sum of \$650,000.00 in consideration of radio facilities as above described) shall be added to or included in the purchase price.

For the purpose of avoiding confusion, the total purchase price shall be the sum of \$650,000.00 (Six Hundred Fifty Thousand Dollars) plus the amount paid in connection with the subject translators as above described together with interest as

above described.

(c) **Time of Exercise.** The Option granted hereunder shall be exercisable by Optionee by Written Notice ("Notice") to Optionor at any time after the execution of this Agreement until the expiration of this Option or other termination of this Agreement.

2) **Term.** The rights granted under Section 1 of this Agreement shall be for a initial term of twelve (12) months from the date hereof with two (2) twelve month extensions which may be exercised by Time Broker concurrent with the exercise of similar extensions to the Time Brokerage Agreement contemporaneously entered into by the parties.

3) **Option Price.** The parties agree that in order to obtain the grant of said Option, Optionee must pay to CRS & Cumberland the non-refundable sum of **Five Hundred Dollars (\$500.00)** (the "Option Price"). CRS & Cumberland hereby confirms delivery of said Option Price. The Option Payment is applied to and deducted from the Purchase Price.

4) **FCC Consent.**

Upon delivery of Notice of the exercise of the rights set forth in Section 1 above, the parties agree to execute an Asset Purchase Agreement and to cooperate fully and ~~promptly~~ ^{as herein provided} to complete and file all forms and other documents necessary to obtain FCC approval of the purchase of the assets, and assignment of the licenses, of the Stations pursuant to said Asset Purchase Agreement.

5) **Closing.**

Upon the exercise of the option or put rights set forth above, a pre-closing shall be held at the offices of CRS/Cumberland or as mutually agreed within ten (10) business days of said exercise.

At the Pre-Closing Optionee shall deliver to CRS/Cumberland the Purchase Price (allocated between CRS and Cumberland for their respective Stations), less the adjustments, credits and prorations provided for hereunder. Said purchase price shall be paid as follows:

- i. A down payment in an amount of ten (10%) of the total purchase price.
- ii. The balance shall be paid over a term of ten (10) years in equal monthly installments bearing interest at the rate of Wall Street

Journal (or a competent successor) prime plus three percent (3%) with a floor of six percent (6%) per annum and a ceiling of nine percent (9%) per annum. Said interest rate shall be adjusted annually based upon the average rate of interest applicable for the immediately preceding twelve (12) months.

- iii. The herein above described note shall be personally guaranteed by Jeffery M. Andrulonis. At the point in time that the Optionee/Purchaser has paid fifty percent (50%) of the total purchase price (including the down payment and payments under the subject note), the parties hereto shall cooperate fully and promptly complete and file all forms and documents necessary to obtain FCC approval of the purchase of the assets, and assignment of the licenses of the Stations.
- iv. Within ten (10) business days of the approval by the FCC of such assignment of licenses, the parties hereto shall complete the transfer and assignment of the subject assets pursuant to the terms of an Asset Purchase Agreement at a Final Closing. Simultaneously with the assignment of assets as herein described, the Optionee/Purchaser shall execute documentation necessary or incident to the granting to the Optionor/Seller a first and prior lien encumbering all assets that are the subject of this transaction and the stock or ownership interests of the purchasing entity and licensee. Specifically, further, Optionee/Purchaser shall grant onto Optionor/Seller a collateral assignment of all tower site and studio leases applicable at the time of Final Closing. Optionor/Seller shall be the collateral assignee of a life insurance policy insuring the life of Jeff Andrulonis in a face amount equalling the principal amount of the subject note.

6) **Covenants of CRS/Cumberland.** CRS & Cumberland hereby covenant and agree that:

(a) *Sale or Hypothecation of Stations Assets.* Without the express written consent of CRS/Cumberland, and except in the ordinary course of business, so long as this Agreement (or any extension, renewal or modification of it) is outstanding, neither the subject Assets nor the stock of CRS or Cumberland will be sold, hypothecated, pledged, or otherwise encumbered (except for existing liens), nor the FCC licenses assigned by CRS/Cumberland, nor will CRS/Cumberland hold out the Stations, the subject Assets, to any other person. CRS/Cumberland will cooperate with Optionee and execute any documents

deemed reasonably necessary by CRS/Cumberland to put third parties on notice of the existence of this Agreement and the restrictions contained herein.

(b) *Timely Payments to Creditors.* CRS/Cumberland will make all payments to creditors on a timely basis and will take no action nor refrain from taking any action that would constitute a default on any obligation, loan, or mortgage secured by the subject Assets.

(c) *Preservation of Assets.* Optionor will take all steps commercially reasonable and necessary to protect and preserve the WFBX-AM, WFAY-AM and WMIR-AM Assets from damage, loss, or material reduction in value.

7) **Representations of Jeffery M. Andrulonis and Colonial Radio Group, Inc.**

(a) Optionee represents to Optionor that they have had the opportunity to review and inspect as deemed necessary or appropriate by them the subject assets; and, further the books and records of the subject operating entities. Optionee further warrants that they are aware that the Optionor does not own the tower site in connection with the operation of WFBX-AM; the studio in connection with the operation of WFAY-AM or the tower site or studio in connection with the operation of WMIR-AM. Further, the Optionee has full information and knowledge of the proposed purchase of the herein above referenced translators; and, further, Optionee shall monitor and direct, as appropriate and necessary, all activities and purchases in connection the completion of the purchase of the subject translators and the facilitation and operation of the same.

8) **Notices.**

Any notices to be given under this Agreement by either party to the other may be effected by certified mail, postage prepaid with return receipt requested, or by USPS Express air service, overnight air courier service or same day delivery service. Notices shall be addressed to the parties at the addresses given below, but each party may change its address by written Notice in accordance with this paragraph. The telephone and telefax numbers of each party are also specified below:

If to Optionor:

Gardner H. Altman, Jr., Esquire General Counsel
CRS Radio Holdings, Inc.
P.O. Box 235+

If to Optionee:

Jeffery M. Andrulonis
Colonial Radio Group, Inc.
2086 Old State Road

White Oak, NC 28399
Tel: 910-866-5267
chair@chair-nc.com
with a copy to:

John C. Trent, Esquire
Esq. Putbrese Hunsaker & Trent, P.C.
200 S. Church Street
Fayetteville VA 22664
Tel: 540-459-7646
Fax: 540-459-7656

Mainesburg, PA 16932
Tel: 570-447-2228
Email: Jeff@andrulonis.com
with a copy to:

Anthony T. Lepore,
Radiotvlaw Associates, LLC
4101 Albemarle St NW #324
Washington, DC 20016-2151
Tel: 202-681-2201
ant@andrulonis.com

Notice shall be deemed to have been given three business days after mailing if sent by registered or certified mail, or on the next business day if sent by USPS express mail, overnight air courier, or same day delivery service. Notification to counsel, or by telephone facsimile shall not constitute Notice for purposes of this Paragraph.

9) **No Waiver.** The failure of any party at any time to require performance of any provision of this Agreement shall not affect its right at a later time to enforce the provision. No waiver by any party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be in other instances a waiver of any other condition or breach of any other term, covenant, representation or warranty.

10) **Remedies.** It is agreed and understood that the facilities of Stations and the obligations of CRS/Cumberland hereunder are unique. Accordingly, the parties agree that in the event of a material default by either party, the other party may seek specific performance of the breaching party's obligations under this Agreement, subject to the rules, regulations, and policies of the FCC.

11) **Control of Stations.** During the term of this Agreement, Optionee shall not control the operation of the Stations, but such operation shall be the responsibility of CRS & Cumberland.

12) **Finders, Consultants and Brokers.** Each party represents and



warrants to the other that there are no finders, consultants or brokers involved in this transaction and that neither party has agreed to pay any other brokers a Commission or finders fee in connection with this transaction. The parties each agree to hold the other harmless as against any claim of any other broker arising out of or as a consequence of the respective actions of Optionee and CRS/Cumberland.

13) **Amendments.** The provisions of this Agreement may be amended, terminated or waived only by an instrument in writing executed by all of the parties or by the party granting a waiver.

14) **Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect its meaning or interpretation.

15) **Counterparts.** 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.

16) **Compliance with the Communications Act and FCC Rules.** The parties agree that the provisions of this Agreement are subject to all applicable requirements under the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC promulgated thereunder ("FCC Rules"). All actions undertaken pursuant to this Agreement shall be in full compliance with the requirements of the Communications Act and the FCC Rules, and no party shall take any action which would be in violation thereof. Each party agrees to execute, and to cooperate in the filing and prosecution of, all applications and other documents which, in the opinion of counsel, are necessary to obtain FCC or other governmental approval of any transactions contemplated by this Agreement.

17) **Further Assurances.** The parties to this Agreement hereby each pledge to the other that they shall take whatever steps are reasonably necessary, in good faith, and shall use their best efforts to carry out their obligations under this Agreement so that the transactions contemplated herein shall be consummated in a complete and expeditious manner.

18) **Other Documents.** The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

19) **Assignment.** The rights granted to Optionee by this Agreement may not be assigned by Optionee to another party without the written consent of CRS & Cumberland, such consent not to be unreasonably withheld. *Provided, however,* that Optionee may assign its rights and obligations under this Agreement to an entity, controlled by, controlled, or under common control with, Optionee.

20) **Construction.** This Agreement shall be construed in accordance with the laws of the State of North Carolina.

21) **Separate Counsel.** The parties have each retained independent counsel in connection with the negotiation and preparation of this Agreement, and have consulted with and sought advice from their respective counsel, prior to execution, concerning their respective rights and duties under this Agreement.

22) **Attorneys' Fees.** In the event any action, suit or other proceeding is instituted by a party to enforce any of the terms and provisions contained herein, the prevailing party in such action shall be entitled to recover its costs and expenses, including reasonable attorneys' fees.

23) **Time Brokerage Agreement/Cross Default.** Simultaneously with the execution of this Agreement, the parties have entered into a TBA. It is specifically understood by Optionee that in the event it has an uncured default under the TBA, that CRS/Cumberland has the right to terminate this Option Agreement. It is further specifically agreed by Optionee that in the event of an uncured default under the TBA that the parties hereto entered into on or about February 15, 2016 in connection with WFBX-AM, WFAY-AM and WMIR-AM that CRS/Cumberland has

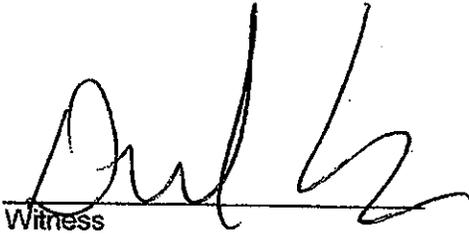
the right to terminate this agreement. It is further specifically agreed by Optionee that an uncured event of default in the TBA simultaneously entered into this day in connection with WFBX-AM, WFAY-AM and WMIR-AM shall constitute an event of default pursuant to and in accord with the terms and provisions of the TBA entered into on or about February ___, 2016 by and between the parties hereto in connection with WFBX-AM, WFAY-AM and WMIR-AM.

24) **Like Kind Exchange** - In the event Optionee exercises the Option contained herein and the parties execute an Asset Purchase Agreement integrating the terms contained herein, the Asset Purchase Agreement shall contain a provision confirming that Optionor agrees to cooperate with Optionee to utilize the transaction as the "Replacement Property" for Optionee's contemplated like-kind exchange (the "Exchange") pursuant to § 1031 of the Internal Revenue Code of 1986, as amended provided that: (a) the transaction shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to the Optionee's obligations under the Asset Purchase Agreement; (b) the Optionee shall effect the Exchange through an assignment of this Agreement, or its rights under the Asset Purchase Agreement, to a qualified intermediary and the Optionee shall pay any additional costs that would not otherwise have been incurred by the Optionee or the Optionor had the Optionee not consummated its purchase through the Exchange.

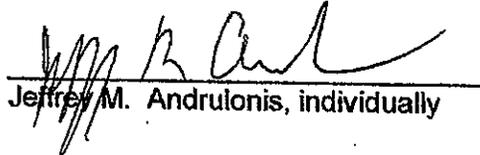
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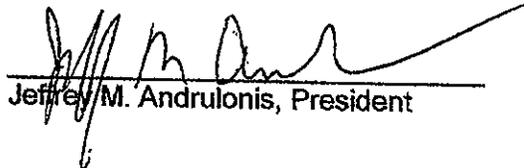
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.


Witness

Optionee:

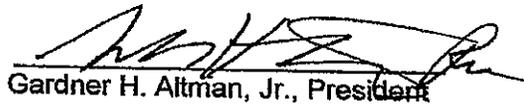

Jeffrey M. Andrulonis, individually

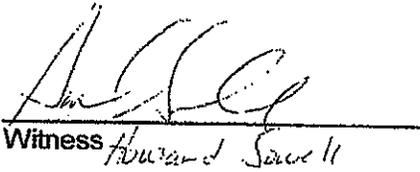
COLONIAL RADIO GROUP, INC.


Jeffrey M. Andrulonis, President

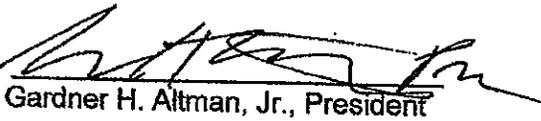
Optionor:

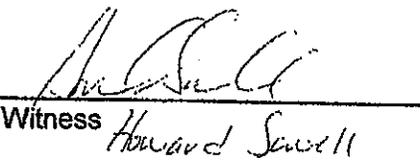
CRS RADIO HOLDINGS, INC.


Gardner H. Altman, Jr., President


Witness Howard Sewell

CUMBERLAND A & A CORPORATION


Gardner H. Altman, Jr., President


Witness Howard Sewell