

LOCAL MARKETING AGREEMENT

THIS LOCAL MARKETING AGREEMENT (this "Agreement") is made as of July 24, 2017 between Newman Broadcasting, Inc. ("Licensee") and Southern Communications, LLC ("Stone").

Recitals

A. Licensee owns and operates the following radio station (the "Station") pursuant to licenses issued by the FCC:

WJZS(FM), Live Oak, FL (FCC ID 37060)

C. Stone or an affiliate of Stone owns and operates the following radio stations (the "Stone Stations") pursuant to licenses issued by the FCC:

WCJX(FM), Five Points, FL (FCC ID 9033)

WQHL(AM), Live Oak, FL (FCC ID 15872)

WQHL-FM, Live Oaks, FL (FCC ID 15871)

D. Stone desires to help Licensee obtain programming and advertising for the Station.

E. Licensee has agreed to make available to Stone airtime on the Station and accept for broadcast the programs and advertising obtained by Stone on the terms and conditions set forth in this Agreement.

F. Contemporaneously with this Agreement, Licensee and Stone or an affiliate of Stone are entering into an Asset Purchase Agreement (the "Purchase Agreement") whereby Stone or an affiliate of Stone has agreed to purchase the Station.

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, agree as follows:

1. Agreement Term. The term of this Agreement (the "Term") will begin on the date hereof (the "Commencement Date") and will continue until the date six (6) years after the Commencement Date, unless extended or earlier terminated pursuant to the terms of this Agreement.

2. Stone's Sale of Airtime. During the Term, Stone shall provide to Licensee programming and advertising for the Station for broadcast on the Stations twenty-four (24) hours per day, seven (7) days per week (the "Programs and Advertising").

3. Broadcasting Obligations. Licensee shall broadcast the Programs and Advertising delivered by Stone, subject to the provisions of Section 6 below.

4. Advertising Sales; Accounts Receivable. Stone will be exclusively responsible for the provision of Programs and the Sale of advertising on the Stations and for the collection of accounts receivable arising therefrom. Licensee shall be entitled to all revenues of the Stations during the Term.

5. Term Payments. In exchange for the provision of Programs and Advertising to Licensee, Licensee will pay Stone as set forth on Schedule A attached hereto.

6. Operation, Ownership and Control of the Stations. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Stations, it will have full authority, power and control over the operation of the Stations and over all persons working at the Stations during the Term. Licensee will bear the responsibility for the Stations' compliance with all applicable provisions of the rules 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 Stations, who will report to Licensee and will direct the day-to-day operations of the Stations, (2) employ a staff level employee for the Stations, who will report and be solely accountable to the manager, and (3) retain control over the policies, programming and operations of the Stations. Nothing contained herein shall prevent Licensee from (a) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (b) 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.

7. Expenses. During the Term, Licensee will be responsible for all expenses related to the Stations.

8. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Stations or any other call letters which may be assigned by the FCC for use by the Stations, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations.

9. Events of Default; Termination.

9.1 Stone's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Stone under this Agreement: (a) Stone fails to observe or perform its obligations contained in this Agreement in any material respect; or (c) Stone breaches the representations and warranties made by it under this Agreement in any material respect.

9.2 Licensee Events of Default. The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement: (a) Licensee fails to observe or perform its obligations contained in this Agreement in any material respect; or (b) Licensee breaches the representations and warranties made by it under this Agreement in any material respect.

9.3 Cure Period. Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until fifteen (15) 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.

9.4 Termination in the Event of Default. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to Section 9.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

9.5 Cooperation Upon Termination. If this Agreement is terminated for any reason, the parties agree to cooperate with one another and to take all actions necessary to rescind this Agreement and return the parties to the status quo ante.

9.6 Newman Broadcasting Station. This Agreement shall automatically be terminated upon the Closing of the Purchase Agreement and/or termination of the Purchase Agreement.

10. Authority. Stone 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 all jurisdictions where the nature of its business requires such qualification, (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.

11. Modification and Waiver; Remedies Cumulative. No modification of any provision of this Agreement will be effective unless in writing and signed by all parties. No failure or delay on the part of Stone or Licensee in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies which a party may otherwise have.

12. Assignability; No Third Party Rights. The rights and obligations of Licensee and Stone under this Agreement may not be assigned without the other party's consent. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement.

13. Construction. This Agreement will be construed in accordance with the laws of the State of Florida without regard to principles of conflicts of laws.

14. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

15. Notice. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any party pursuant to this Agreement shall be in writing and shall be hand delivered or delivered by overnight air courier, and shall be deemed to have been duly delivered and received on the date of personal delivery or on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next day delivery, addressed as follows:

If to Licensee: Newman Broadcasting, Inc.
630 Vassar Street #2505
Orlando, FL 32804
Attention: Cesta D. Newman

With a copy to: BrewerLong
620 N. Wymore Rd. Ste 270
Maitland, FL 32751
Attention: Holly N. Derenthal

If to Stone: Southern Communications, LLC
126 W. International Speedway Blvd.
Daytona Beach, FL 32114
Attention: Paul Stone

with a copy to: Edinger Associates PLLC
1875 I Street, N.W., Suite 500
Washington, D.C. 20006
Attention: Scott Woodworth

16. Entire Agreement. This Agreement and the Purchase Agreement embodies the entire agreement, and supersedes all prior oral or written understandings, between the parties with respect to the subject matter of this Agreement.

17. Relationship of Parties. Neither the Stone nor Licensee will be deemed to be the agent, partner, or representative of the other party to this Agreement, and neither party is authorized to bind the other to any contract, agreement, or understanding.

18. Subject to Laws; Partial Invalidity. 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. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, such invalidity,

illegality, or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if it did not contain such invalid, illegal, or unenforceable provision.

SIGNATURE PAGE TO LOCAL MARKETING AGREEMENT

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

STONE:

SOUTHERN COMMUNICATIONS, LLC

By: 

Name: Paul Stone
Title: President

LICENSEE:

NEWMAN BROADCASTING, INC.

By: 

Name: Cesta D. Newman
Title: President

SCHEDULE A
TO
LOCAL MARKETING AGREEMENT

Term Payments

From the Commencement Date until the end of 2017, Stone will provide the services referenced herein for no fee, provided, however, that Licensee will reimburse Stone for services provided by employees of Stone based on the agreement of the Parties, and at a reasonable and customary rate consistent with Lake City market and commensurate with the commission rates set for Stone Stations. Commencing on January 1, 2018 and for the remainder of the Term, Licensee shall pay to Stone fifty percent (50%) of all annual Broadcast Cash Flow (defined below) (the "Annual Payments"). Broadcast Cash Flow is defined as the revenue of Stations minus Licensee's operating expenses (excluding amortization, depreciation, interest, taxes and owner excess). Licensee shall pay to Stone the Annual Payments within thirty (30) days after the end of each calendar year.