

# LEASE

**THIS LEASE** (this "Lease"), is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between **KSWO, LLC**, a Delaware limited liability company ("Landlord") and **KAUZ, LLC** and its wholly owned subsidiary, **KAUZ LICENSE SUBSIDIARY, LLC**, both Delaware limited liability companies (collectively referred to as "Tenant").

## ARTICLE I - LEASED PREMISES; OPTION TO PURCHASE

**1.1 Demise of Leased Premises.** Attached hereto as Exhibit A is a site plan of property located at 3601 Seymour Highway, Wichita Falls, Texas 76309, which includes the studio building (the "Building"), the transmission tower and equipment building (together, the "Tower"), which currently house the facilities of Stations KAUZ-TV ("KAUZ"), Wichita Falls, Texas (collectively, the "Leased Premises"). Landlord, in consideration of the rents and of the terms and conditions hereinafter contained, does hereby lease to Tenant, and Tenant, does hereby rent from Landlord: (i) the space in the Building outlined in red on the floor plan attached hereto as Exhibit A and incorporated herein; (ii) space on the Tower as described in Exhibit B; and (iii) the television broadcast equipment listed in Exhibit C (the "Leased Equipment"). Together, the Leased Premises and the Leased Equipment shall accommodate Tenant's business and the operations of KAUZ.

**1.2 Condition of Leased Premises.** Tenant accepts the Leased Premises in its "as is" condition as of the execution of this Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Tenant acknowledges that neither Landlord, any employee of Landlord, Landlord's property manager, nor any agent of Landlord has made any representation as to the condition of the Leased Premises or the suitability of the Leased Premises for Tenant's intended use. The taking of possession of the Leased Premises by Tenant shall be conclusive evidence that the Leased Premises were in good and satisfactory condition and suitable for the use intended by Tenant at the time such possession was taken. Upon request by Landlord, Tenant shall execute a commencement letter signifying such acceptance.

**1.3 Leased Equipment.** The Leased Equipment will be maintained by Landlord, but shall at all times be under the control of Tenant. Should repairs to or replacements of items of Leased Equipment be required in order for KAUZ to remain on the air with the facilities specified in its FCC licenses, Tenant will notify Landlord of the need for such repairs or replacements. If repairs or replacements are not made in a timely manner such that KAUZ must cease operations or operate with less than 80% of its FCC-authorized power, Tenant may make any needed repairs or equipment replacements itself and deduct the cost thereof, including labor costs, from the rent due under this Lease. Repairs or replacements of studio equipment will be similarly coordinated between Landlord and Tenant so as to assure continuity in the operations of KAUZ. Tenant may, at its own expense, add its own equipment to the operation of KAUZ provided such additions do not cause interference to Landlord's operations or those of other tenants and are compatible with the Tower and/or the Tenant's authorized use of the Building. Any changes or substitutions to the Leased Equipment as described in Exhibit C must be approved in writing by Tenant.

**1.4 Option to Purchase.** During the Term (defined below; herein, the “Option Term”), Tenant has an option (the “Option”) to purchase the Leased Premises and the Leased Equipment (together, the “Optioned Properties”) from Landlord on the following terms:

(a) The purchase price (the “Purchase Price”) under the Option shall be the fair market value of the Optioned Properties as of the date of the Exercise Notice (defined below). Fair market value will be determined by the parties in an arm’s length negotiation. Should the parties fail to agree to a fair market value within thirty (30) days after the date of the Exercise Notice, fair market value will be determined by an appraiser jointly selected by Landlord and Tenant within forty (40) days after the date of the Exercise Notice. If the parties fail to agree on the selection of an appraiser, each may appoint an appraiser and the two appraisers so appointed will appoint a third, independent appraiser and the average of the three resulting appraisals shall constitute the Purchase Price.

(b) To exercise the Option Tenant shall provide a written notice Landlord (the “Exercise Notice”) specifying the desired date of closing under the Option (the “Closing Date”), which shall be no later than ninety (90) days after the date of the Exercise Notice and no earlier than thirty (30) days thereafter, subject to reasonable adjustment to accommodate any appraisals required under the preceding subparagraph. Except for Landlord’s legal and other professional fees, Tenant agrees to pay all closing costs incurred in connection with Landlord’s purchase of the Leased Premises, including deed preparation, transfer taxes and tax stamps, recording fees, the Title Commitment (defined below), premiums for title insurance and other costs customarily imposed on the parties to a Texas real estate transaction. The parties will be jointly responsible for the fees and expenses of any appraisers used to assess the fair market value of the Optioned Properties.

(c) Tenant’s obligation to close under the Option is conditioned on the following: (i) the availability to Tenant of a reasonably acceptable commitment from a title company with offices in Wichita County, Texas, to issue to Tenant at standard rates an ALTA extended coverage owner’s title insurance policy, or policies, with respect to all of the Leased Premises with no exceptions other than non-material matters of record which do not impede the normal operation of KAUZ (a “Title Commitment”); (ii) at Tenant’s election, a Phase I environmental report (the “Phase I Report”) which demonstrates that no hazardous substances are present on the Leased Premises; and (iii) delivery by Landlord to Tenant on or before the Closing Date a certificate stating, to the extent such matters are not covered in the Phase I Report, that Landlord has no knowledge of: (x) any action that has been commenced or threatened regarding Landlord’s compliance with any federal, state, county and municipal law or regulation related to the Leased Premises; (y) any tanks used for storage of hazardous material on the Leased Premises; and (z) any polychlorinated biphenyls or friable asbestos on the Leased Premises or in the Leased Equipment; and (iv) as of the Closing Date, the Leased Equipment is good working order and may be conveyed to Tenant free of any liens or encumbrances.

(d) In the event either the Title Commitment or the Phase I Report are unsatisfactory to Tenant in its reasonable business judgement, Tenant may elect to postpone the Closing Date for up to one (1) year by giving written notice to Landlord of such postponement. In the event Tenant provides such a postponement notice, it shall be Landlord’s obligation to remedy any defects revealed in the Title Commitment or Phase I Report, as the case may be, during such postponement period, and to close the transaction as soon as possible within such period.

**ARTICLE II - TERM**

The term of this Lease shall be for a period of eight (8) years (the "Term"), commencing on \_\_\_\_\_, 2015 (the "Commencement Date"), and ending on \_\_\_\_\_, 2023 (the "Expiration Date"), unless sooner terminated pursuant to any provision hereof. The term of this Lease shall automatically renew for subsequent two (2) year terms (each, a "**Renewal Term**") and together with the Initial Term, the "**Term**") unless notice of termination is given by one of the Parties to the under hereunder.

### ARTICLE III – RENT

**3.1 Rent** Tenant shall pay rent to Landlord starting with the Commencement Date of the Lease for the use and occupancy of the Leased Premises at an annual rate of One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00) ("Rent") payable in equal monthly installments of Fifteen Thousand and 00/100 Dollars (\$15,000.00) each, in advance, on the first day of each month during the Term hereof (except for the first payment due hereunder which shall be due seven (7) days after the Commencement Date). If the Term shall commence and end on a day other than the first day of a month, the monthly installment of Rent for the first and last partial month shall be prorated on a per diem basis. Rent and all other sums payable to Landlord under this Lease shall be payable in U.S. Dollars at the office of Landlord, or at such other place or places as Landlord may in writing direct. All Rent payable under this Lease shall be paid by Tenant without notice or demand, both of which are expressly waived by Tenant. Rent due under this Lease shall be paid by Tenant without offset or deduction.

**Tenant will not be responsible for paying any additional rent or additional amounts for the following items, the estimated cost of which have been used in the determination of the Rent hereunder:**

(a) **Real Property Taxes.** "Real Property Taxes" shall mean: (i) any fee, license fee, license tax, business license fee, commercial rental tax, levy, charge, assessment, government charge or tax imposed by any taxing authority against the Building or Property; (ii) any tax on the Landlord's right to receive, or the receipt of, rent or income from the Building or against Landlord's business of leasing the Building; (iii) any tax, or charge, or assessment, or any assessment for repayment of bonds for fire protection, streets, sidewalks, road maintenance, refuse or other services provided to the Building for any governmental agency; (iv) any charge or fee replacing any tax previously included within the definition of real property tax; and (v) any costs incurred by Landlord in contesting such Real Property Taxes, whether successful or not. (Tenant shall, however, pay when due all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant).

(b) **Insurance.** Landlord shall maintain such insurance on the Building as Landlord reasonably deems appropriate.

(c) **Common Expenses.** "Common Expenses" shall mean all costs incurred by Landlord in cleaning, repairing, maintaining and operating the Tower, Building and the Common Areas (hereinafter defined) and shall include, but are not limited to, the following: gardening and landscaping; electrical, gas, water and sewer service and maintenance, repair and replacement of the facilities providing the same; maintenance; receptionists; mail room; security services; repair and replacement of signs; premiums for liability, property damage, fire and other types of casualty insurance on the Common Areas and worker's compensation insurance; all personal property taxes and assessments levied on or attributable to the Common Areas and all improvements thereon; all personal property taxes levied on or attributable to personal property used in connection with the Common Areas, the Tower and the Building; straight-line

depreciation on personal property owned by Landlord and consumed or used in the operation or maintenance of the Common Areas; rental or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Common Areas or the Building; fees for required licenses and permits; repairing, replacing, resurfacing, repaving, maintaining, painting, lighting, cleaning, refuse removal, security and similar items; reserves for roof replacement and exterior painting and other appropriate reserves; and any management fees. Notwithstanding the foregoing, any personal property taxes on Tenant's owned equipment, fixtures and other personal property shall be paid by Tenant, at Tenant's expense.

**3.2 Annual Rent Increases.** Commencing on the first day of the second Lease year after the Commencement Date, and on the first day of each Lease year thereafter during the Term (the "Adjustment Date"), the Rent Tenant shall pay to Landlord each month shall increase by an amount (the "Adjustment Amount") equal to the product of (i) the monthly Rent set forth in Section 3.1 and (ii) the percentage increase between the Price Index (hereinafter defined) in effect immediately preceding the Commencement Date and the Price Index in effect immediately preceding the Adjustment Date. The "Price Index" shall mean the revised Consumer Price Index for Urban Wage Earners and Clerical Workers (revised CPI-W), All Items, Dallas, Texas, metropolitan area, 1982-84=100, issued by the Bureau of Labor Statistics of the United States Department of Labor. If the Price Index is changed so that a base year other than 1982-84 is used, the Price Index used herein shall be converted in accordance with the conversion factor published by the Bureau of Labor Statistics. If the Price Index is discontinued during the Term, with no successor or comparable successor Price Index, Landlord shall have the right to select and substitute another similar index

**3.3 Late Charges.** Tenant's failure to pay Rent promptly may cause Landlord to incur unanticipated costs. The amount of such costs are difficult to ascertain, and therefore on any Rent payment not made within ten (10) days after it is due, Tenant shall pay Landlord a late charge equal to fifteen percent (15%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

**3.4 Interest on Past Due Amounts.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount, in addition to any late charges due under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

## ARTICLE IV - COMMON AREAS

**4.1 Common Areas.** In this Lease, "Common Areas" shall mean all areas designated on Exhibit A and Exhibit B, which are available for common use and which are not part of the Leased Premises or the premises of Landlord or other tenants. Landlord may from time to time, at Landlord's sole discretion, change the size, location, nature and use of any of the Common Areas. Tenant acknowledges that such activities may result in occasional inconvenience and such activities and changes shall be expressly permitted if they do not materially affect Tenant's use of the Leased Premises.

**4.2 Use of Common Areas.** Tenant shall have the nonexclusive right (in common with all others to whom Landlord has granted or may grant such rights) to use the Common Areas for the purposes intended, subject to such reasonable rules and regulations as Landlord may establish from time to time. Tenant shall abide by such rules and regulations and shall use its best effort to cause others who use the

Common Areas with Tenant's expressed or implied permission to abide by Landlord's rules and regulations. Tenant shall not, at any time, interfere with the rights of Landlord, other tenants, or any other person entitled to use the Common Areas.

**4.3 Vehicle Parking.** Tenant shall be entitled to use the vehicle parking spaces in the surface lot on the Property without paying any additional rent. Tenant's vehicle parking shall not be reserved and Tenant shall have access to spaces equal to the access of Landlord and other tenants. Unless specifically consented to in writing by Landlord, vehicles shall be parked only in striped parking spaces and not in driveways, loading areas or other locations not specifically designated for parking.

**4.4 Common Area Maintenance.** Landlord shall maintain the Common Areas in good order, condition and repair.

## ARTICLE V - USE

**5.1 Use.** Tenant shall use the Leased Premises for the general operation of a television station and studio, and for no other purpose without the prior written consent of Landlord. Tenant will not use or occupy the Leased Premises for any unlawful purpose, and will comply with all present and future laws, ordinances, regulations, and orders of the United States of America, the state of Texas, and all other governmental units or agencies having jurisdiction over the Property and the Leased Premises. Tenant agrees to operate its business and the technical functions of KAUZ from the Leased Premises during the entire Term and to conduct its business in a reputable manner. Tenant shall not cause, maintain or permit any outside storage on or about the Leased Premises, shall not commit or suffer any waste upon the Leased Premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Building. No use shall be made or permitted to be made of the Leased Premises, nor acts done, which will increase the existing rate of insurance upon the Building or cause the cancellation of any insurance policy covering the Building, or any part thereof. Tenant shall not sell, or permit to be kept, used, in or about the Leased Premises, any article which may be prohibited by the standard form of fire insurance policy. Tenant shall, at its sole cost and expense, comply with any and all requirements, pertaining to the Leased Premises, of any insurance organization or company, necessary for the maintenance or reasonable fire and public liability insurance covering the Leased Premises, Building and appurtenances. Tenant shall not place on any floor a load exceeding the floor load per square foot which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy equipment and fixtures.

**5.2 ADA.** Tenant shall at its expense make any improvements or alterations to the Leased Premises required to conform with the Americans With Disabilities Act of 1990 ("ADA") and any other laws, ordinances, orders or regulations of any governmental body or authority presently required or hereinafter enacted. Tenant represents and warrants that the use and occupancy of the Leased Premises as contemplated by this Lease comply or will comply fully with all such laws, ordinances, and other governmental requirements.

**5.3 Mold.** It is agreed and understood that mold spores are present essentially everywhere. Tenant acknowledges and understands that mold can grow in most moist locations including within the Leased Premises. Landlord places the burden on Tenant to properly prevent moisture in the Leased Premises, and on good housekeeping and ventilation practices. Tenant acknowledges the necessity of housekeeping, ventilation and moisture control (especially in kitchens, bathrooms, beneath cabinets and

around outside walls) for mold prevention. In signing this Lease, Tenant has first inspected the aforementioned Leased Premises, and certifies that Tenant has not observed mold, mildew or moisture within the Leased Premises. If Tenant observes mold/mildew and/or moisture conditions (from any source, including leaks), Tenant shall immediately notify Landlord and take, at Tenant's expense, appropriate corrective action. Tenant relieves, and shall indemnify and defend, Landlord from any liability for any personal injury or damages to property caused by or associated with moisture or the growth or occurrence of mold or mildew on or in the Leased Premises.

## **ARTICLE VI - SECURITY DEPOSIT**

Landlord shall not require Tenant to pay a security deposit.

## **ARTICLE VII - OPERATIONS: UTILITIES: SERVICES**

**7.1 Operation.** Landlord shall operate the Building consistent with standards customarily followed in the operation of comparable buildings, and in accordance with past practice.

**7.2 Utilities and Services.** Landlord shall provide Tenant with the following utilities and services during hours of operation:

(a) Central heat and air-conditioning, in season, at such temperatures and in such amounts as may be required to reasonably heat or cool the Leased Premises except in extreme temperature conditions or when limited by legal requirements.

(b) Hot and cold water to serve the Leased Premises as required for lavatory and drinking purposes and such other uses as are permitted pursuant to this Lease.

(c) Janitorial services if agreed upon by Landlord and Tenant on a daily basis, excluding holidays, in accordance with Landlord's janitorial contract.

(d) Electricity to the Leased Premises sufficient for standard consumption for general office lighting and the operation of typewriters, desktop personal computers, and other business machines of similar low electrical consumption.

**7.3 Interruption of Services.** Landlord shall not be in default under this Lease and shall not be liable to Tenant for failure to provide services pursuant to this Article if failure to provide the services is caused by factors outside of Landlord's control.

**7.4 No Interference.** Without Landlord's prior review and written consent, Tenant shall not install or operate any electrical, internet, satellite, microwave, or other systems that will or may necessitate any changes, replacements or additions to, or changes in the use of the Tower, Building, the water system, heating system, plumbing system, air-conditioning system or electrical system anywhere on the Leased Premises. Any changes, replacements or additions to those systems made necessary by Tenant's installation or operation of any such utility systems shall be made at Tenant's expense. Further, no such electrical, internet, satellite, microwave, or other systems will interfere with any other tenant in the Building or with any other buildings on the Property.

## **ARTICLE VIII - REPAIRS AND MAINTENANCE**

In addition to its maintenance of the Leased Equipment, Landlord shall keep and maintain in good repair and working order and make all repairs to and perform necessary maintenance upon the structural components and elements, and electrical, plumbing and mechanical systems, of the Building and all parts and appurtenances, which are required in the normal maintenance and operation of the Tower or the Building. Landlord shall also, at its sole cost and expense, keep and maintain in good repair and working order and make all repairs to and perform necessary maintenance within and upon the Leased Premises, and all parts and appurtenances thereof, which are required in the normal maintenance and operation of the Leased Premises. The cost and expense of any maintenance or repair to the Building or Leased Premises necessary due to the acts or omissions of Tenant or Tenant's agents, employees, contractors, invitees, licenses or assignees, shall be reimbursed by Tenant to Landlord upon demand. Landlord shall not be obligated to make any repairs until notified in writing by Tenant, and Landlord shall then have a reasonable period of time to make such repairs. Landlord shall not be liable for any damage or loss occasioned by Landlord's failure to repair the Tower, Building or other portions of the Leased Premises unless it shall have failed to make such repair within a reasonable time following written notice from Tenant of the need for such repair.

## **ARTICLE IX - ALTERATIONS: TENANT'S PROPERTY**

**9.1 Alterations by Tenant.** Tenant shall make no alterations, additions, replacements or improvements to the Leased Premises without the express written consent of Landlord which consent shall not be unreasonably withheld. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Tenant. All alterations, additions or improvements to the Leased Premises made by Tenant will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, by a contractor approved by Landlord, and shall become the property of the Landlord at the expiration of the Term of this Lease. Landlord reserves the right to require Tenant to remove any alteration, improvement or addition made to the Leased Premises by Tenant, and to repair and restore the Leased Premises to a condition substantially equivalent to the condition of the Leased Premises prior to any such alteration, addition or improvement. Tenant shall give Landlord at least ten (10) days' prior written notice of the commencement of any work on the Leased Premises. Landlord may elect to record and post notices of non-responsibility on the Leased Premises.

**9.2 Contractors' Insurance Requirements.** In the event Landlord gives its approval to Tenant pursuant to Section 9.1 hereof, Tenant shall require any third party vendor or contractor performing work on the Leased Premises to carry and maintain at no expense to Landlord: (a) Commercial General Liability Insurance with a combined single limit of \$1,000,000 (\$2,000,000 for contractors who are

engaged to work on the Tower),bodily injury and property damage per occurrence; (b) Auto Liability insurance with a combined single limit of \$1,000,000; and (c) Workers' Compensation insurance in accordance with applicable state law and Employer's Liability insurance with limits of not less than \$100,000/\$100,000/\$500,000. Tenant shall obtain a Certificate of Insurance prior to commencement of work and Landlord and Tenant are to be additional insureds with respect to the liability coverages.

**9.3 Tenant's Property.** Provided Tenant is not in default under the terms of this Lease, Tenant, at its expense and at any time and from time to time, may install in and remove from the Leased Premises its trade fixtures, equipment, removable walls and wall systems, furniture and furnishings, provided such installation or removal is accomplished without damage to the Leased Premises or the Building and the installation does not interfere with the other tenants and their guests use of the Building. On or prior to the Expiration Date, Tenant shall remove all of Tenant's property from the Leased Premises and repair any damage to the Leased Premises caused by such removal. All property of Tenant remaining on the Leased Premises after the expiration of the Term of this Lease shall be deemed to have been abandoned and may be removed by Landlord and Tenant shall reimburse Landlord for the cost of such removal.

## **ARTICLE X - HAZARDOUS MATERIALS**

### **10.1 Use of Hazardous Materials**

**(a) Tenant's Obligations and Liabilities:** Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Leased Premises by Tenant, its agents, employees, contractors, or invitees. If Tenant breaches this obligation, Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs or liabilities (including, without limitation, diminution in value of the Leased Premises, damages for the loss of restriction on use of rentable or usable space or of any amenity of the Leased Premises, damages arising from any adverse impact on marketing of space, and sum paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification of Landlord by Tenant, includes, without limitation, costs incurred in connection with any investigations of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Leased Premises. Without limiting the foregoing, if the presence of Hazardous Material on the Leased Premises caused by Tenant results in any contamination of the Leased Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Leased Premises to the conditions existing prior to the introduction of any such Hazardous Material in the Leased Premises, provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Leased Premises. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

**(b) Definition:** As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste, including, but not limited to those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 261) and amendments thereto, or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law.

(c) **Inspection:** Landlord and its property manager or agents shall have the right, but not the duty, to inspect the Leased Premises at any time to determine whether Tenant is complying with the terms of this Lease. If Tenant is not in compliance with this Lease, Landlord shall have the right to immediately enter upon the Leased Premises to remedy any contamination caused by Tenant's failure to comply, notwithstanding any other provisions of this Lease. Landlord shall use its best efforts to minimize interference with Tenant's business but shall not be liable for interference caused thereby.

(d) **Default:** Any default under this Paragraph shall be a material default enabling Landlord to exercise any of the remedies set forth in this Lease.

## ARTICLE XI - ASSIGNMENT AND SUBLETTING

Tenant shall not assign, transfer or encumber this Lease or any part hereof and shall not sublet, grant licenses or concessions, nor allow any other occupant to come in, with or under Tenant, nor shall Tenant permit this Lease or the leasehold estate hereby created to become vested in or owned by any other person, firm or corporation by operation of law or otherwise without the prior written consent of Landlord.

Notwithstanding the above, any change in the ownership or power to vote a majority of Tenant's outstanding membership interests will not constitute a prohibited assignment for purposes of this Section. Acceptance of Rent by Landlord from anyone other than Tenant shall not be construed as a waiver by Landlord of the actions prohibited by this Section, nor as a release of Tenant from any obligation or liability under this Lease. In the event Landlord consents to an assignment or sublet by Tenant, Tenant, and any guarantor of Tenant, shall not be relieved from its obligations under this Lease.

One-half of any proceeds in excess of Rent which is received by Tenant pursuant to an assignment or subletting consented to by Landlord, less reasonable brokerage commissions actually paid by Tenant, and less other costs incurred by Tenant in connection with making the space available for lease, shall be remitted to Landlord within ten (10) days of receipt by Tenant. For purposes of this paragraph, all money or value in whatever form received by Tenant from or on account of any party as consideration for an assignment or subletting shall be deemed to be proceeds received by Tenant pursuant to an assignment or subletting.

In the event Tenant requests Landlord to consent to a proposed assignment, subletting, or encumbrance, Tenant shall pay to Landlord, whether or not such consent is ultimately given, all reasonable attorney's fees and costs incurred in connection with each such request.

## ARTICLE XII - CASUALTY OR CONDEMNATION

**12.1 Partial Damage of Leased Premises.** Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Leased Premises. If the damage can be completely repaired within ninety (90) days from the date of such damage, and the cost of such repairs do not exceed fifty percent (50%) of the value of the Leased Premises, Landlord shall repair the damage as soon as reasonably possible. Otherwise, Landlord may elect either to (a) repair the damage as soon as reasonably possible, or (b) terminate this Lease as of the date the damage occurred. Landlord shall notify Tenant within thirty (30) days after receipt of notice of the occurrence of the damage, whether Landlord elects to

repair the damage or terminate the Lease. If the damage to the Leased Premises occurs during the last six (6) months of the Lease Term, and if such damage or destruction is not the result of the act or omission of Tenant, Landlord or Tenant may elect to terminate this Lease. Notwithstanding the foregoing, any damage to the Leased Premises or the Building caused by Tenant, or its agents, employees or contractors, will be promptly repaired by Tenant, at Tenant's expense.

**12.2 Total or Substantial Destruction.** If the Leased Premises is totally or substantially destroyed by any cause whatsoever, or if the Tower or Building is substantially destroyed (even though the Leased Premises is not totally or substantially destroyed), this Lease shall, at the option of Landlord, terminate as of the date the destruction occurred. However, if the Leased Premises, or a comparable Tower or Building, can be rebuilt within one (1) year after the date of destruction to substantially the same condition as existed before the damage, Landlord may elect to rebuild the Leased Premises (or a comparable Tower or Building), at Landlord's own expense, in which case, this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within thirty (30) days after the occurrence of the total or substantial destruction.

**12.3 Temporary Reduction of Rent.** If the Leased Premises is totally or substantially destroyed, or if the Leased Premises is damaged through no fault of Tenant's, and the Leased Premises is repaired pursuant to the provisions of this Article, Rent payable during the period of such damage, repair and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Leased Premises is impaired. Tenant shall not be entitled to any other compensation, reduction, or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Leased Premises.

**12.4 Condemnation.** If all or any portion of the Leased Premises is taken through eminent domain or sold under threat of such taking (all of which are called "Condemnation"), this Lease shall terminate as to the part taken or sold on the date the condemning authority takes title or possession, whichever occurs first. All income, rent, awards or interest derived from any such taking or condemnation shall belong to and be the property of Landlord, and Tenant hereby assigns Tenant's interest, if any, in such award to Landlord.

### ARTICLE XIII - INDEMNIFICATION AND INSURANCE

**13.1 Indemnification by Tenant.** The Landlord shall not in any event be responsible for loss of property from or for damage to person or property occurring in or about the Leased Premises, however caused, including but not limited to any damage from steam, gas, electricity, water, plumbing, rain, snow, leakage, breakage or overflow, whether originating in the Leased Premises, premises of other tenants, or any part of the Building whatsoever.

Tenant agrees to indemnify and hold harmless the Landlord from and against all claims of whatever nature arising from any accident, injury or damage to person or property during the Term of this Lease in or about the Leased Premises or arising from any accident, injury or damage to personal property occurring outside the Leased Premises but within the Building or any other property of which the Leased Premises is a part, where such accident, injury or damage results or is claimed to have resulted from an act, omission or negligence on the part of Tenant, or on the part of any of its licensees, agents, invitees, servants or employees. This indemnity agreement shall include indemnity against all costs, claims, expenses, penalties, liens and liabilities including attorney's fees incurred in or in connection with any such claims or proceedings brought thereon and the defense thereof.

**13.2 Tenant's Insurance.** Tenant will maintain Commercial General Liability insurance with respect to the Leased Premises naming Landlord as additional insured, with a combined single limit of \$1,000,000 bodily injury and property damage per occurrence and \$2,000,000 aggregate limit applicable to this location, and Auto Liability insurance with a combined single limit of \$1,000,000. This insurance coverage shall extend to any liability of Tenant arising out of the indemnities provided for in this Lease. Landlord and its affiliates shall be named as additional insureds and the insurance shall be primary to any insurance maintained by Landlord. Tenant shall deliver to Landlord a Certificate of Insurance at least seven (7) days following to the commencement of the Term of this Lease and a renewal certificate at least seven (7) days prior to the expiration of the Certificate it renews. Said Certificate must provide thirty (30) days prior notice to Landlord in the event of material change or cancellation. Tenant also agrees to maintain broad form Commercial Property insurance coverage under ISO form CP1030 or like coverage under a non-ISO form covering all Tenant's personal property, improvements and betterments to their full replacement value and Worker's Compensation insurance in accordance with applicable state law and Employer's Liability insurance with limits of not less than \$100,000/\$100,000/\$500,000. Tenant agrees that if its use and occupancy of the Leased Premises cause the property insurer to raise premiums as a result of such use or occupancy, then Tenant will directly reimburse Landlord for the cost of such increased premium. Tenant agrees to comply with all reasonable recommendations from any insurer of the property that result as a direct result of the Tenant's use of the Leased Premises.

**13.3 Survival of Indemnities.** Each indemnity agreement and hold harmless agreement contained herein shall survive the expiration or termination of this Lease.

**13.4 Waiver of Subrogation.** Notwithstanding anything contained in this Lease to the contrary, if either party suffers a loss of or damage to property in the Leased Premises or related to this Lease, which is covered by valid and collectible insurance policies (or would be covered by policies which are required hereunder or which would be required but for any specific provisions for self-insurance or for a deductible), that party waives any claim therefor which it may have against the other party or its employees, regardless of whether negligence or fault of the latter party or its employees may have caused the loss or damage. Each party will have its appropriate insurance policies properly endorsed, if necessary, to prevent any invalidation of insurance coverage required hereunder due to these mutual waivers.

#### **ARTICLE XIV - RIGHT OF ENTRY**

The Landlord reserves the right to use the Building and every part thereof, and Tenant shall permit access to the Leased Premises to Landlord, Landlord's property manager or Landlord's agents or attorneys at all reasonable times for inspection and cleaning and from time to time to repair as provided in Article VIII, maintain, alter, improve and remodel, and to add additional offices to the Building and each part thereof; the Tenant shall not be entitled to any compensation, damages or abatement or reduction in Rent on account of any such repairs, maintenance, alterations, improvements or remodeling or adding of additional stories. The Landlord reserves the right at any time and from time to time to enter, and be upon the Leased Premises for the purpose of examining same. The Landlord shall have the right, at reasonable hours, and upon notice to Tenant, to enter upon the Leased Premises or exhibit the same to prospective tenants, lenders or insurers.

**ARTICLE XV - PROPERTY LEFT ON THE LEASED PREMISES**

Upon the expiration of this Lease or if the Leased Premises should be vacated at any time, or abandoned by Tenant, or this Lease should terminate for any cause, and at the time of such termination, vacation, or abandonment, Tenant or Tenant's agents, or any other person should leave any property of any kind or character on or in the Leased Premises, the property shall be deemed abandoned. Landlord, Landlord's property manager or Landlord's agents or attorneys, shall have the right and authority without notice to Tenant, Tenant's agents, or anyone else, to remove and destroy, or to sell or authorize disposal of such property, or any part thereof, without being in any way liable to the Tenant for the abandoned property. The abandoned property shall belong to the Landlord as compensation for the removal and disposition of said property.

**ARTICLE XVI – Intentionally Left Blank**

**ARTICLE XVII - NOTICES**

Any notice, demand, request, consent, approval or communication under this Lease shall be in writing and shall be deemed to have been duly given and received at the time and on the date when personally delivered, or one (1) day after being delivered to a nationally recognized commercial carrier service for next-day delivery or three (3) days after deposit in the United States mail, certified or registered mail with a return receipt requested, with all postage prepaid, addressed to Landlord or Tenant (as the case may be) as follows:

If to Landlord:

KSWO, LLC  
201 Monroe St., 20<sup>th</sup> Floor  
Montgomery, AL 36104  
Attention: President

If to Tenant:

KAUZ, LLC  
KAUZ License Subsidiary, LLC  
2131 Ayrsley Town Blvd.  
Suite 300  
Charlotte, NC 28273  
Attention: President

**ARTICLE XVIII - MECHANIC'S LIENS**

Tenant and any vendor, contractor or subcontractor performing work on behalf of Tenant shall keep the Building, the Leased Premises, and the improvements at all times during the Term of this Lease, free of mechanic's and materialmen's liens and other liens of like nature. Tenant at all times shall fully protect and indemnify Landlord against all such liens or claims and against all attorneys fees and other costs and expenses growing out of or incurred by reason or on account of any such liens or claims.

Should Tenant fail fully to discharge any such lien or claim, Landlord, in its sole discretion, may pay the same or any part thereof, and Landlord shall be the sole judge of the validity of said lien or claim. All amounts so paid by the Landlord, together with interest thereon at the rate of fifteen percent (15%) from the time of payment by Landlord until repayment by Tenant, shall be paid by Tenant upon demand, and if not so paid, shall continue to bear interest at the aforesaid rate, payable monthly as Additional Rent.

## **ARTICLE XIX - SUBORDINATION; ATTORNMENT**

**19.1 Subordination.** Landlord may, from time to time, grant first lien deeds of trust, security deeds, mortgages or other first lien security interests covering its estate in the Building (each a "Mortgage"). Tenant agrees that this Lease shall be subject and subordinate to each Mortgage, including any modifications, extensions or renewals thereof and advances thereunder from time to time in effect. The foregoing provisions shall be self operative, and no further instrument of subordination shall be required to make this Lease subject and subordinate to any Mortgage. Tenant shall, upon request, from time to time execute and deliver to Landlord or the holder of any Mortgage any instrument requested by Landlord or the holder of such Mortgage to evidence the subordination of this Lease to any such Mortgage.

**19.2 Attornment.** Tenant agrees to recognize and attorn to any party succeeding to the interest of Landlord as a result of the enforcement of any Mortgage (including the transferee as the result of a foreclosure or deed in lieu of foreclosure), and to be bound to such party under all the terms, covenants, and conditions of this Lease, for the balance of the Term of this Lease, including any extended term, with the same force and effect as if such party were the original Landlord under this Lease.

**19.3 Confirming Agreement.** Upon the request of Landlord, Tenant agrees to execute a subordination and attornment agreement incorporating the provisions set forth above and otherwise in form reasonably acceptable to Landlord.

**19.4 Mortgagee Protection.** Tenant agrees to give any mortgagees and/or trust deed holders, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Leases, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or, if such default cannot be cured within that time, then such additional time as may be necessary, if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

## **ARTICLE XX - COMPLIANCE WITH LAW AND RULES AND REGULATIONS**

**20.1 Compliance With Laws.** Tenant, at Tenant's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities pertaining to Tenant's use of the Leased Premises and with the recording covenants, conditions and restrictions, regardless of when they became effective, including, without limitation, all applicable federal, state and local laws, regulations or ordinance pertaining to air and water quality Hazardous

Materials (as hereinafter defined), waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and utility availability, and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Landlord or Tenant with respect to the use or occupation of the Leased Premises.

**20.2 Compliance with Anti-Terrorism Laws.** Tenant is and shall at all times remain in compliance with (i) the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("OFAC"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56 (the "USA PATRIOT Act"), as amended from time to time, and the rules and regulations promulgated thereunder from time to time and in any other enabling legislation or other Executive Orders in respect thereof; and (ii) other executive orders, laws, rules, regulations, legislations, or orders as may be enacted now or in the future relating to anti-terrorism measures (the Order and such other rules, regulations, legislation, or orders are collectively called the "Anti-terrorism Laws"). Tenant warrants that Tenant is not in violation of any Anti-terrorism Laws by virtue of entering into this Lease.

**20.3 Rules and Regulations.** The rules and regulations attached hereto as Exhibit D ("Rules and Regulations") are Landlord's Rules and Regulations for the Building. Tenant shall faithfully observe and comply with such Rules and Regulations and such reasonable changes therein (whether by modification, elimination, addition or waiver) as Landlord may hereafter make and communicate in writing to Tenant, which shall be necessary or desirable for the reputation, safety, care or appearance of the Building or the preservation of good order therein or the operation or maintenance of the Building or the equipment thereof for the comfort of tenants or others in the Building. In the event of a conflict between the provisions of this Lease and the Rules and Regulations, the provisions of this Lease shall control.

## **ARTICLE XXI - LANDLORD'S LIEN**

Tenant hereby grants to Landlord, to secure payment by Tenant of all Rent and all other payments to be made by Tenant under this Lease and the performance by Tenant of all its other duties and obligations under this Lease, a first priority lien and security interest in all equipment, trade fixtures, goods and other tangible personal property now or hereafter owned by Tenant and located on the Leased Premises, and all substitutions, replacements, additions and accessions thereto and proceeds thereof. No such property shall be removed from the Leased Premises until all Rent and other amounts payable under this Lease have been paid and until Tenant has fully and completely performed all of the other duties and obligations of Tenant under this Lease. If Tenant is in default under this Lease, Landlord shall have, in addition to all other rights and remedies provided for herein or allowed by law or in equity, all rights and remedies of a secured party under the Uniform Commercial Code, including the right to sell any or all of the property described above at one or more public or private sales upon providing the notice required by the Uniform Commercial Code. Tenant agrees that ten (10) days' prior notice of any such sale will constitute commercially reasonable notice. Tenant shall, at the request of Landlord, execute and deliver such additional documents as may be reasonably required, including Uniform Commercial Code financing statements, to perfect the lien and security interest granted by Tenant to Landlord herein. Any statutory lien for rent is not waived, the express contractual lien and security interest herein granted being supplementary thereto.

## ARTICLE XXII - ESTOPPEL CERTIFICATE

Tenant shall from time to time, upon not less than ten (10) days prior written notice by Landlord, execute, acknowledge and deliver to Landlord a statement in substantially the form attached hereto as Exhibit E:

(a) Certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications).

(b) Stating the dates to which the Rent and other charges hereunder have been paid by Tenant.

(c) Stating, to the best knowledge of Tenant, that Landlord is not in default in the performance of any covenant, agreement or condition contained in this Lease, and if Landlord is in default, specifying any such default of which Tenant may have knowledge.

(d) Stating the address to which notices to Tenant should be sent pursuant to Article XVII of this Lease.

Any such statement delivered pursuant hereto may be relied upon by any owner of the Tower, Building and/or the Leased Premises, any prospective purchaser of the Building and/or Leased Premises, any mortgagees or prospective mortgagee of the Tower, Building and/or Leased Premises, any prospective assignee of any such mortgagee, or any purchaser of Landlord, actual or prospective, of the underlying land upon which the Building and Leased Premises are located.

## ARTICLE XXIII - HOLDING OVER

If Tenant retains possession of the Leased Premises or any part thereof after the termination of this Lease by lapse of time or otherwise without any modification of this Lease or other written agreement between the parties, Tenant shall be a month-to-month tenant at two hundred percent (200%) of the Rental rate in effect on the termination date. In addition, Tenant shall pay to Landlord all direct and consequential damages sustained by Tenant's retention of possession, including but not limited to lost rentals, leasing fees, advertising costs, marketing costs, Tenant finish expense and relocation costs. There shall be no renewal of this Lease by operation of law.

## ARTICLE XXIV - TENANT'S STATUS

Tenant represents and warrants to Landlord that:

**24.1 Power and Authority.** Tenant has the right, power and authority to execute and deliver this Lease and to perform the provisions hereof, and is, to the extent required, qualified to transact business and in good standing under the laws of the State of Texas.

**24.2 Authorization.** The execution of this Lease by Tenant, or by the persons or other entities executing this Lease on behalf of Tenant, and the performance by Tenant of Tenant's obligations under this Lease in accordance with the provisions hereof have been, to the extent required, duly authorized by all necessary action of Tenant.

## ARTICLE XXV - DEFAULTS AND REMEDIES

**25.1 Default by Tenant.** Tenant shall be in default under this Lease if:

(a) - Tenant shall fail to pay when due any Rent or other payment to be made by Tenant under this Lease.

(b) - Tenant violates or breaches, or fails to fully and completely observe, keep, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, restriction or provision of this Lease.

(c) - Tenant fails to take possession of or ceases to do business in or abandons any substantial portion of the Leased Premises.

(d) - Tenant becomes insolvent, or makes an assignment for the benefit of creditors; or any action is brought by Tenant seeking its dissolution or liquidation of its assets or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property.

(e) - Tenant commences a voluntary proceeding under the Federal Bankruptcy Code, or any reorganization proceeding is instituted by Tenant for the settlement, readjustment, composition or extension of any of its debts upon any terms; or any action or petition is otherwise brought by Tenant seeking similar relief or alleging that it is insolvent or unable to pay its debts as they mature; or if any action is brought against Tenant seeking its dissolution or liquidations of any of its assets, or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property, and any such action is consented to or acquiesced in by Tenant or is not dismissed within 3 months after the date upon which it was instituted.

**25.2 Landlord Remedies.** On the occurrence of any default by Tenant, Landlord may, at any time thereafter, with or without notice or demand, and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

(a) Terminate Tenant's right to Possession of the Leased Premises, in which case Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including (a) the amount of the unpaid Rent and other charges which had been earned at the time of the termination; (b) the amount of the unpaid Rent and other charges which would have been paid for the balance of the Term after the termination; and (c) such other amounts as are necessary to compensate Landlord for the detriment caused by Tenant's failure to perform its obligations under the Lease, including, but not limited to, the cost of recovering possession of the Leased Premises, expenses of reletting, including necessary renovation or alteration of the Leased Premises, Landlord's reasonable attorneys' fees incurred in connection therewith, and any real estate commission paid or payable. As used above, the "amount of the unpaid Rent and other charges" is computed by allowing interest on unpaid amounts at the rate of twelve (12%) per annum, or such lesser amount as may then be the maximum lawful rate;

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event, Landlord shall be

entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Rent and other charges, as they become due hereunder;

(c) Elect to terminate the Lease. No such termination of this Lease shall affect Landlord's rights to collect Rent or other charges due for the period prior to termination. In the event of any termination, in addition to any other remedies set forth above, Landlord shall have the right to recover from Tenant upon such termination an amount equal to the excess of the Rent and other charges to be paid by Tenant during the remaining Term of this Lease over the then reasonable rental value of the Leased Premises for the remaining Term of this Lease, discounted to present value using a reasonable discount rate; and/or

(d) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Leased Premises is located. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy. No action taken by or on behalf of Landlord under this section shall be construed to be an acceptance of a surrender of this Lease.

**25.3 Landlord's Costs; Attorneys Fees.** Tenant shall pay all costs and expenses incurred by Landlord as a result of any breach or default by Tenant under this Lease, including court costs and attorneys fees paid by Landlord.

**25.4 Remedies Cumulative.** The foregoing remedies are cumulative of, and in addition to, and not restrictive or in lieu of, the other remedies provided for herein or allowed by law or in equity, and may be exercised separately or concurrently, or in any combination, and pursuit of any one or more of such remedies shall not constitute an election of remedies which shall exclude any other remedy available to Landlord.

**25.5 Non-Waiver.** Landlord's forbearance in pursuing or exercising one or more of its remedies shall not be deemed or construed to constitute a waiver of any default or any remedy, and no waiver by Landlord of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any right or remedy then or thereafter existing. No failure of Landlord to pursue or exercise any of its rights or remedies or to insist upon strict compliance by the Tenant with any term or provision of this Lease, and no custom or practice at variance with the terms of this Lease, shall constitute a waiver by Landlord of the right to demand strict compliance with the terms and provisions of this Lease.

## ARTICLE XXVI - MISCELLANEOUS

**26.1 No Partnership.** Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties hereto other than that of Landlord and Tenant.

**26.2 No Representations by Landlord.** Neither Landlord, Landlord's property manager, or any agent or employee of Landlord has made any representations or promises with respect to the Leased Premises or Building except as set forth in this Lease, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth.

**26.3 Waiver of Jury Trial.** Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on or in respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord

and Tenant hereunder, Tenant's use of occupancy of the Leased Premises, and/or any claim of injury or damage.

**26.4 Severability of Provisions.** If any clause or provision of this Lease shall be determined to be illegal, invalid or unenforceable under the present or future laws effective during the Term hereof, then and in that event it is the intention of the parties that the remainder of this Lease shall not be affected by the invalid clause and shall be enforceable to the fullest extent of the law, and it is also the intention of the parties to this Lease that in place of any such clause or provision that is illegal, invalid, or unenforceable there be added as a part of his Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

**26.5 Benefits and Burdens.** The provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, permitted successors and permitted assigns. Landlord shall have the right, at any time and from time to time, to freely and fully assign all or any part of its interest under this Lease for any purpose whatsoever. Neither Landlord nor any owner of any interest in Landlord whether disclosed or undisclosed, shall be under any personal liability with respect to any of the provisions of this Lease. If Landlord is in breach or default with Tenant's obligations under or in connection with this Lease or otherwise, Tenant shall look solely to the equity of Landlord in the Leased Premises for the satisfaction of Tenant's remedies.

**26.6 Landlord's Liability.** The Obligations of the Landlord under this Lease do not constitute personal obligations of Landlord or of the individual partners, joint venturers, directors, officers, shareholders or beneficial owners of the Landlord, and Tenant shall look solely to the Building and to no other assets of the Landlord for satisfaction of any liability in respect to this Lease. Tenant will not seek recourse against Landlord or such individual entities or such other assets for such satisfaction. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Leased Premises or the leasehold estate under a ground lease of the Leased Premises at the time in question. Any Landlord who transfers its title or interest is relieved of all liability with respect to the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee, by actual transfer or appropriate credits, all funds previously paid by Tenant if such funds have not yet been applied under the terms of this Lease.

**26.7 Recording.** Tenant shall not record this Lease without Landlord's prior written consent, and such recordation shall, at the option of Landlord, constitute a non-curable default of Tenant hereunder. Tenant shall upon request of Landlord, execute, acknowledge and deliver to Landlord a short-form memorandum of this Lease for recording purposes.

**26.8 Surrender of Premises.** Upon termination of this Lease, by expiration of Term, or otherwise, Tenant shall redeliver to Landlord the Leased Premises broom clean and in good order and condition, ordinary wear and tear excepted. Tenant shall remain liable for holdover rent until the Leased Premises shall be returned in such order to Landlord.

**26.9 Interpretation.** The captions of the Sections and Articles of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the contents of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents,

employees, contractors, invitees, successors or others using the Leased Premises with Tenant's expressed or implied permission.

**26.10 Entire Agreement.** It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understanding, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none hereof shall be used to interpret or construe this Lease. All amendments to this Lease shall be in writing and signed by all parties. All waivers must be in writing and signed by the waiving party. Landlord's failure to enforce any provision of this Lease or its acceptance of Rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate such check without being bound to the conditions of such statement.

**26.11 Force Majeure.** Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant, the party taking the action shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of such party; provided, however, in no event shall the foregoing apply to the financial obligations of either Landlord or Tenant to the other under this Lease, including Tenant's obligation to pay Rent or any other amount payable to Landlord hereunder.

**26.12 Choice of Law.** The laws of the State of Texas shall govern the validity, performance and enforcement of this Lease.

**26.13 Time of Essence.** Time is of the essence with respect to each of Tenant's obligations hereunder.

**IN WITNESS WHEREOF**, these presents have been executed as of the day and year first above written.

**LANDLORD:**

**KSWO, LLC**

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

Name: Paul H. McTear, Jr.

Title: President & CEO

**TENANT:**

**KAUZ, LLC**

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

Name: Thomas B. Henson

Title: President & CEO

**KAUZ LICENSE SUBSIDIARY, LLC**

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

Name: Thomas B. Henson

Title: President & CEO

**EXHIBIT A**  
**RENTAL SPACE IN THE BUILDING**

**EXHIBIT B**

**DESCRIPTION OF THE TOWER**

**EXHIBIT C**  
**LEASED EQUIPMENT**

## EXHIBIT D

### RULES AND REGULATIONS FOR THE BUILDING

The Rules and Regulations set forth in this Exhibit shall be and hereby are made a part of the Lease to which they are attached. Whenever the term "Tenant" is used in these Rules and Regulations, it shall be deemed to include Tenant, its employees or agents, and any other persons permitted by Tenant to occupy or enter the Leased Premises. The following Rules and Regulations may from time to time be modified by Landlord.

1. The sidewalks, entryways, passages, and other common facilities of the Building shall be controlled by Landlord and shall not be obstructed by Tenant or used for any purpose other than ingress or egress to and from the Leased Premises. Tenant shall not have the right to remove any obstruction or any such item without the prior written consent of Landlord. Landlord shall have the right to remove any obstruction or any such item without notice to Tenant and at the expense of Tenant.

2. Landlord may require identification of persons entering and leaving the Building and, for this purpose, may issue building and/or parking passes to Tenants of the Building.

3. The Landlord and/or Landlord's property manager may at all times keep a pass key to the Leased Premises, and shall at all times be allowed admittance to the Leased Premises; subject, however, to Tenant's reasonable security requirements which may prohibit access except when accompanied by Tenant's authorized security personnel.

4. Subject always to Tenant's reasonable security requirements, no additional lock or locks shall be placed by Tenant on any door in the Building and no existing lock shall be changed unless written consent of Landlord shall first have been obtained. A reasonable number of keys to the Leased Premises will be furnished by Landlord and Tenant shall not have any duplicate key made. At the termination of this tenancy, Tenant shall promptly return all keys to Landlord.

5. The delivery or shipping of merchandise and supplies to and from the Building and Leased Premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the Leased Premises.

6. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 PM and 8:00 AM, the following day, access to the Building, or to the Leased Premises may be refused unless the person seeking access is an employee of Tenant, known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages or any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Leased Premises and Building during the continuance of the same by closing of the doors or otherwise, for the safety of the Tenants and protection of property in the Leased Premises and Building.

7. Landlord reserves the right to exclude or expel from the Leased Premises or Building any person who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

8. Landlord shall have the right, exercisable upon 90 days prior notice to Tenant and without liability to Tenant, to change the name and street address of the Building of which the Leased Premises are a part.

9. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

10. Landlord shall have the right to control and operate the public portion of the Building and any public facilities, as well as facilities furnished for the common use of the Tenants, in such manner as it deems best.

11. Landlord reserves the right to restrict, control or prohibit canvassing, soliciting and peddling on the Leased Premises. Tenant shall not grant any concessions, licenses, or permission for the sale or taking of orders for food, beverages, services or merchandise in the Building, nor install or permit the installation, use of any machine or equipment for dispensing food, beverages, services or merchandise, or permit the preparation, serving, distribution or delivery of food, beverages, services or merchandise without the approval of Landlord and in compliance with arrangements prescribed by Landlord.

12. Other than the type that exist on the Commencement Date, no sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord, and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name and notice without notice to and at the expense of Tenant. At all times and at its sole discretion, Landlord shall have the express right to control other signage outside the Building.

13. Except with the prior written consent of the Landlord, no personnel or persons other than those approved by Landlord shall be permitted to enter the Building or Leased Premises for the purpose of cleaning, maintaining, servicing, replacing or repairing the same. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness.

14. Tenant shall see that the doors of the Leased Premises are closed and securely locked before leaving the Leased Premises and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Leased Premises.

15. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant who shall, or whose employees, agents, or invitees shall, have caused it.

16. If a Tenant desires additional telegraphic or telephonic connections, burglar alarms, or similar services, the Landlord, at the sole cost of Tenant, will direct the electricians approved by Landlord as to where the wires are to be introduced and without such direction no boring or cutting for wires shall be permitted.

17. No animal or bird shall be allowed in any part of the Leased Premises (except to assist the handicapped) without the consent of the Landlord.

18. Tenant and his employees shall not park cars on the street or internal drives of the Property of which the Leased Premises are a part or in any alley or court in the Property of which the Leased Premises are a part. Where there is a rear entrance, all loading and unloading of goods shall be made at the rear entrance. The Tenant agrees that upon written notice from Landlord, Tenant will, within five (5) days, furnish the state automobile license numbers assigned to the cars of all Tenant's employees.

19. Bicycles or other vehicles shall not be permitted anywhere inside the Building or on the sidewalks outside the Building, except in those areas designated by Landlord for bicycle parking.

20. Tenant shall not allow anything to be placed or stored on the outside of the Building, nor shall anything be thrown by Tenant out of the windows or doors.

21. No windows, shades, blinds, screens or draperies will be attached or detached by Tenant and no awnings shall be placed over the windows without Landlord's prior written consent. Tenant agrees to abide by Landlord's rules with respect to maintaining uniform curtains, draperies and linings at all windows and hallways so that the Building will present a uniform exterior appearance. Tenant will use its best efforts to have all curtains, draperies and blinds closed at the end of each day in order to help conserve energy. Except in case of fire or other emergency, Tenant shall not open any outside window because the opening of windows interferes with the proper functioning of the Building heating and air conditioning systems.

22. Tenant shall not install or operate any steam or gas engine or boiler, or carry on any mechanical business in the Leased Premises without Landlord's prior written consent, which consent may be withheld in Landlord's absolute discretion. The use of oil, gas or flammable liquids other than those supplied by the Landlord for heating, air conditioning, lighting or any other purpose is expressly prohibited. Explosives and other articles deemed extra hazardous shall not be brought into the Building.

23. Any repairs, maintenance and alterations required or permitted to be done by Tenant under the Lease shall be done only during the ordinary business hours of the Building unless Landlord shall have first consented to such work being done outside of such times. If Tenant desires to have such work done by Landlord's employees on Saturdays, Sundays, holidays or weekdays outside of ordinary business hours Tenant shall pay the extra cost of such labor.

24. Except as permitted by Landlord, Tenant shall not mark upon, paint signs upon, cut, drill into, drive nails or screws into, or in any way deface the walls, ceilings, partitions or floors of the Leased Premises or of the Building, and any defacement, damage or injury caused by Tenant shall be paid for by Tenant, due and payable upon demand by Landlord.

25. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any

cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.

26. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Leased Premise, or permit or suffer the Leased Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors, and/or vibrations, or interfere in any way with other Tenants or those having business therein.

27. No cooking shall be done or permitted by any Tenant on the Leased Premises, nor shall the Leased Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper objectionable or immoral purposes.

28. Tenant will at all times cooperate with Landlord in preserving a first class image of the Building.

29. Landlord reserves the right to change these rules and to make such other and further reasonable rules and regulations either as it affects one or all tenants as in its judgment from time to time may be needed for the safety, care and cleanliness of the Leased Premises and the Building, or for the preservation of good order therein or for any other cause, and when changes are made, such modified or new rules shall be deemed a part hereof, with the same effect as if written herein, when a copy shall have been delivered to the Tenant or left with some person in charge of the Leased Premises.

INITIAL \_\_\_\_\_  
Tenant

INITIAL \_\_\_\_\_  
Landlord

**EXHIBIT E**  
**ESTOPPEL CERTIFICATE**

\_\_\_\_\_, 20\_\_

To:

Re: Lease Agreement with KAUZ, LLC and KAUZ License Subsidiary, LLC

Gentlemen:

The undersigned, KAUZ, LLC and KAUZ License Subsidiary, LLC as Tenant ("Tenant") under that certain Lease Agreement with KSWO, LLC as Landlord ("Landlord"), dated \_\_\_\_\_, 2015, (the "Lease"), hereby ratifies the Lease and states, represents, warrants, and certifies as follows:

1. Tenant entered into occupancy of those premises in \_\_\_\_\_ (the "Project"), as more particularly identified in the Lease (the "Premises"), and is in full and complete possession of the Premises.
2. All improvements, alterations or additions to the Premises to be made by Landlord, if any, have been completed to the satisfaction of Tenant. All contributions to be made by Landlord for improvements to the Premises, if any, have been paid in full to Tenant.
3. The term of the Lease commenced on \_\_\_\_\_, 2015, and expires on \_\_\_\_\_, 2020.
4. The Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way (except by agreement(s) dated \_\_\_\_\_), and the Lease and such agreements, if any, represent the entire agreement between the parties with respect to the Premises.
5. Tenant has no right or option to (i) extend the term of the Lease, (ii) lease additional space in the Project, or (iii) purchase the Project or any part thereof (except for \_\_\_\_\_).
6. Rent in the amount of \$ \_\_\_\_\_ per year is currently due and payable under the Lease.
7. Tenant has paid a security deposit under the Lease to Landlord in the amount of \$ \_\_\_\_\_.
8. Rent for \_\_\_\_\_, 20\_\_ has been paid.
9. No rent under the Lease has been paid more than thirty (30) days in advance.
10. There is no existing default on the part of either Landlord or Tenant in any of the terms or conditions of this Lease, and no event has occurred which, with the passage of time or delivery notice, or both, would constitute such a default.

11. All conditions and obligations under the Lease to be performed by Landlord have been performed and on this date Tenant has no existing defenses, counterclaims or offsets against the enforcement of the Lease by Landlord.
12. There are no actions, whether voluntary or, to its knowledge, otherwise, pending against Tenant (or any guarantor of Tenant's obligations pursuant to the Lease) under the bankruptcy or insolvency laws of the United States or any state thereof.
13. There is no apparent or likely contamination of the Premises by hazardous materials or toxic substances and Tenant does not use, nor has Tenant disposed of any such materials or substances in violation of Environmental Laws.
14. Tenant hereby acknowledges and agrees that this certificate may be relied upon by Landlord and any purchaser, mortgagee or beneficiary under a deed of trust, and their respective successors and assigns.

Very truly yours,

**KAUZ, LLC**  
**KAUZ LICENSE SUBSIDIARY, LLC**

Attest:

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_