

## **ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (this "Agreement") is made and entered into as of this 22nd day of August, 2003,

**BY AND AMONG**

**RIVER CITY BROADCASTERS, INC.,**  
f/k/a River City Broadcasting Corporation,  
a Kansas corporation,  
hereinafter referred to as

**"RCB"**

**AND**

**NEWMARK COMMUNICATIONS, L.L.C.,**  
a Kansas limited liability company,  
hereinafter referred to as

**"Buyer"**

**AND**

**F.Y.M. BROADCASTING CORPORATION,**  
a Kansas corporation,  
hereinafter referred to as

**"FYM"**

**AND**

**RONALD V. NUTT,**  
hereinafter referred to as

**"Nutt"**

**WITNESSETH:**

**WHEREAS,** RCB is the owner of a low power television station operating on Channel 51 and serving Wichita, Kansas (the "Station"), and the holder of FCC license file #BLTTL-20010622AAG, call sign: KSMI-LP (the "License"), a copy of which is attached hereto as Exhibit "A" and all applications therefor, together with any renewals or extensions thereof and additions thereto between the date hereof and Closing;

**WHEREAS,** FYM is the owner of a 1KW Acrodyne transmitter and a Bogner 16 Bay Antenna, as described on Exhibit "B" attached hereto (the "Equipment"); and

**WHEREAS**, RCB and FYM (hereinafter referred to collectively and individually as "Seller") desire to sell the License and Equipment, respectively, and Buyer desires to purchase from Seller, the Station Assets (defined below), subject to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Station Assets.** Subject to and in reliance upon the representations, warranties and agreements herein set forth, and subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date all right, title and interest of Seller in and to the License and the Equipment with respect to the Station (collectively, the "Station Assets").

2. **Liabilities.** The Station Assets shall be sold and conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, "Liens"). Buyer does not assume any obligation or liability arising from the pre-Closing operation of the License or any liability or obligation of Seller of any kind, whether or not disclosed to Buyer (the "Retained Liabilities"). Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all Retained Liabilities as they become due, without any charge or cost to Buyer.

3. **Allocation.** Buyer and Seller will allocate the Purchase Price in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). The allocation shall be determined by mutual agreement of the parties. Buyer and Seller each further agrees to file its federal income tax returns and its other tax returns reflecting such allocation.

4. **Purchase Price.** The consideration which Seller agrees to accept and Buyer agrees to pay for the Station Assets shall be the sum of Seven Hundred Thousand Dollars (\$700,000.00) (the "Purchase Price"). The Purchase Price shall be payable as follows: (i) upon the signing of this Agreement by all parties, delivery by Buyer to Seller in cash or its equivalent the sum of Three Hundred Thousand Dollars (\$300,000.00) ("Deposit"); and (ii) delivery by Buyer to Seller in cash or its equivalent of Four Hundred Thousand Dollars (\$400,000.00) at Closing.

5. **Deposit.** Simultaneous with the execution and delivery of this Agreement, Buyer shall deliver the Deposit to Seller. At Closing, the Deposit shall be credited as a partial payment of the Purchase Price. If this Agreement is terminated by Seller pursuant to Section 21(c), then Seller may retain the Deposit as liquidated damages and the sole and exclusive remedy of Seller and Seller hereby waives all other legal equitable rights and remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, then Seller shall promptly, and in no event later than thirty (30) business days following such termination, return the Deposit to Buyer. In order to secure repayment of the Deposit to Buyer in

the event of a failure to close, Nutt and Sheryl Nutt shall execute, acknowledge and deliver upon the execution of this Agreement the personal guarantee attached hereto as Exhibit "C" ("Guarantee") and the stock pledge agreement attached hereto as Exhibit "D" ("Stock Pledge"), and FYM shall execute, acknowledge and deliver the security agreement attached hereto as Exhibit "E" ("Security Agreement") and financing statement associated therewith whereby FYM pledges as collateral all of FYM's equipment. The Guarantee, Stock Pledge, Security Agreement and financing statements shall be released and terminated on the Closing Date.

6. **Closing.** Seller and Buyer acknowledge and agree that time is of the essence of this Agreement. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place at a date and time designated by Buyer after the date of the FCC Consent (defined below) pursuant to an initial order, but in no event later than ten (10) business days after the date the FCC Consent becomes Final (defined below), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Sections 15 or 16 below (other than those to be satisfied at the Closing). The date on which the Closing is to occur is referred to herein as the "Closing Date". In the event the Closing does not occur on or before December 1, 2003, then Seller shall have the right to terminate this Agreement and, if the failure to Close is solely due to the intentional direct act or inaction of Buyer in direct contravention of the covenant of good faith and fair dealing implied in this Agreement ("Seller's Cause"), Seller shall give Buyer written notice of the same, and if Buyer is unable to Close within fifteen (15) days of Buyer's receipt of such notice, then (i) Seller shall retain the Deposit remitted to Seller by Buyer as liquidated damages; (ii) the Guarantee, Stock Pledge and Security Agreement shall be immediately released by Buyer; and (iii) the Services Agreement and the Local Programming and Marketing Agreement shall immediately be terminated, except that the indemnities thereunder shall survive.

7. **FCC Application.**

(a) As soon as possible, RCB and Buyer shall join in and file an application (the "FCC Application") requesting the FCC's consent to the assignment of the FCC Authorizations from RCB to Buyer pursuant to this Agreement (the "FCC Consent"). RCB and Buyer shall each prosecute the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application and shall furnish all information required by the FCC.

(b) For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

8. **Lease.** Concurrent with the execution of this Agreement, Seller and Buyer are entering into a Lease Agreement (the "Lease") pursuant to which, among other things, upon the commencement of the Term thereunder, Buyer will lease certain building space to Seller. Buyer and Seller shall equally split tower space rental at its present location until Seller changes its Tower.

9. **Local Programming and Marketing Agreement.** Upon the execution of this Agreement, Seller and Buyer shall execute a Local Programming and Marketing Agreement in the form of Exhibit "F" attached hereto ("LPMA"). The term of the Local Programming and Marketing Agreement shall be from the date hereof to the date of Closing.

10. **Services Agreement.** Upon the execution of this Agreement, Seller and Buyer shall execute a Services Agreement in the form of Exhibit "G" attached hereto ("SA").

11. **Assignment/Bill of Sale.** Upon the execution of this Agreement, Seller and Buyer shall complete and sign FCC Form 345 and immediately submit the Form 345 to the Federal Communications Commission for processing. Buyer shall be responsible for any fees in connection with the transfer of the License. At the Closing, FYM shall deliver to Buyer a bill of sale evidencing the transfer of the Equipment to Buyer, the form of which is attached hereto as Exhibit "H".

12. **Representations and Warranties of Seller.** As the basis upon which this Agreement is made, Buyer hereby relies upon, and Seller and Nutt, jointly and severally, represent and warrant to Buyer, as of the date above first written and as of the Closing Date, as follows:

(a) **Organization.** Each Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Each Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller or Nutt pursuant thereto (collectively, the "Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

(b) **Authority.** The execution, delivery and performance of this Agreement and the Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Ancillary Agreement when executed and delivered by Seller and the others parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) **No Conflicts.** Neither the execution and delivery by Seller of this Agreement and the Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the

terms, conditions and provisions hereof or thereof will conflict with any organizational document of Seller, or any law, judgment, order or decree to which Seller is subject, or require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for the FCC Consent.

(d) Station Assets. Seller has good and marketable title to the Station Assets, free and clear of Liens. Upon delivery to Buyer at Closing of the documents contemplated by this Agreement, Seller will thereby transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens. Seller maintains sufficient insurance policies with respect to the Station and the Station Assets and will maintain such policies in full force and effect until Closing.

(e) FCC Authorizations.

(i) Seller is the holder of the FCC Authorizations described on Exhibit "A". The FCC Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for, and used in the operation of, the Station. The FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding or pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or the Station. Seller and the Station are in compliance with the FCC Authorizations, the Communications Act, and the rules, regulations and policies of the FCC. Seller shall expeditiously apply for and pursue FCC approvals for movement of the Station and antennas.

(ii) All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Station have been timely filed and paid. All such reports and filings are accurate and complete. Seller maintains public files for the Station as required by FCC rules. With respect to FCC licenses, permits and authorizations, Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization.

(f) Compliance With Law. Seller has complied with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Station Assets, the Station or the Station's business. There is no action, suit or proceeding pending or threatened against Seller in respect of the Station Assets, the Station or the Station's

business. There are no claims or investigations pending or, to the best knowledge of Seller, threatened against Seller in respect of the Station Assets, the Station or the Station's business. There is no action, suit or proceeding pending or threatened against Seller which questions the legality or propriety of the transactions contemplated by this Agreement. Without limiting the foregoing, Seller has in respect of the Station and the Station Assets filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid in full all taxes, penalties and interest, if any, which have become due pursuant to such returns or pursuant to any assessment which have become payable.

(g) No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

(h) Disclosure. With respect to Seller, the Station and the Station Assets, this Agreement and the Ancillary Agreements do not and will not contain any untrue statement or material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

(i) Equipment. The Equipment is in good working order; provided, however, Buyer acknowledges that the antenna being acquired by Buyer is not yet installed.

(j) All representations of Seller and Nutt in the Ancillary Agreements are true, accurate and correct.

**13. Representations and Warranties of Buyer**. As the basis upon which this Agreement is made, Seller hereby relies upon, and Buyer represents and warrants to Seller as of the date of this Agreement and as of the date of Closing, as follows:

(a) Organization. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of Kansas.

(b) Authorization. Prior to the Closing, Buyer shall have duly approved the execution, delivery and performance of this Agreement, the Ancillary Documents and the transactions contemplated thereby. The execution and delivery of this Agreement and the Ancillary Documents, and the consummation of the transactions described therein, and the fulfillment of and compliance with the terms and provisions hereof have been duly authorized by Buyer.

**14. Covenants of Seller**. Seller covenants and agrees that from the date hereof until the Closing:

(a) Operation of the Business.

(i) Seller shall, subject to the LPMA, (i) continue to carry on the business of the Station and keep its books and accounts, records and files in the usual and ordinary manner in which the business has been conducted in the past; (ii) operate the Station in accordance with the terms of the FCC Authorizations and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations; (iii) maintain the FCC Authorizations in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Authorizations; (iv) use best efforts to preserve the business organization of the Station intact, and preserve the goodwill of the Station's suppliers, advertisers, customers and others having business relations with it; and (v) preserve intact the Station Assets. Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Station prior to the Closing, and Seller shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing.

(ii) Notwithstanding Section 14(a), Seller shall not, without the prior written consent of Buyer: (i) sell, lease, transfer or agree to sell, lease or transfer, any Station Assets except for non-material sales or leases, in the ordinary course of business of items which are being replaced by assets of comparable or superior kind, condition and value; or (ii) by any act or omission cause any representation or warranty set forth in Section 12 to become untrue or inaccurate.

(iii) The risk of loss of, or damage to, any of the Station Assets shall remain with Seller at all times until 12:01 a.m. local time on the Closing Date, and prior to Closing Seller shall repair and replace any damaged or lost Station Assets.

(b) Access. At the request of Buyer, Seller shall from time to time give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer: (i) full access during normal business hours to all facilities, properties, accounts, books, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files of every character, equipment, machinery, fixtures, furniture, accounts payable and receivable of Seller with respect to the Station; and (ii) all such other information concerning the affairs of the Station as Buyer may reasonably request. Any investigation or examination by Buyer shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement or in connection herewith.

**15. Conditions to the Obligations of Seller.** The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

(a) Representations, Warranties and Covenants. Each of the representations and warranties of Buyer made in this Agreement and the Ancillary Documents shall be true and correct in all material regards as of the date hereof and shall be true and correct in all material respects on the Closing Date, and Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Buyer at or prior to Closing. Buyer shall have furnished Seller with a Certificate, dated the Closing Date and executed by an authorized officer of Buyer to the effect that the conditions set forth in this Section 15 have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(c) FCC Consent. The FCC Consent shall have been granted by the FCC by initial order.

(d) Deliveries. Buyer shall have complied with its obligations set forth in Section 17(b).

**16. Conditions to the Obligations of Buyer.**

(a) Representations, Warranties and Covenants. Each of the representations and warranties of Seller contained in this Agreement and the Ancillary Documents shall be true and correct in all material respects as of the date hereof and shall be true and correct in all material respects on the Closing Date. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Seller at or prior to Closing. Seller shall have furnished Buyer with a certificate, dated the Closing Date and executed by an authorized officer of Seller to the effect that the conditions set forth in this Section 16 have been satisfied.

(b) Proceedings. Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(c) FCC Consent. The FCC Consent shall have been granted by the FCC by initial order (and, at Buyer's option, such FCC Consent shall have become Final), without any conditions materially adverse to Buyer.

(d) Deliveries. Seller shall have complied with each and every one of its obligations set forth in Section 17(a).

(e) Tower Lease. Buyer shall have received notice from SBA Towers of availability and costs for the same.



17. **Items to be Delivered at the Closing.**

(a) **Deliveries by Seller.** At the Closing, Seller shall deliver to Buyer duly executed by Seller or such other signatory as may be required by the nature of the document:

(i) The Bill of Sale, certificates of title, endorsements, assignments, general warranty deeds and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance satisfactory to Buyer, sufficient to sell, convey, transfer and assign the Station Assets to Buyer free and clear of Liens;

(ii) Certified copies of resolutions authorizing the execution, delivery and performance by Seller of this Agreement and the Ancillary Documents, which shall be in full force and effect;

(iii) The certificate referred to in Section 15(a); and

(iv) Termination of the Ancillary Documents.

(b) **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller:

(i) The Purchase Price, which shall be paid in the manner specified in Section 4;

(ii) Certified copies of resolutions authorizing the execution, delivery and performance by Buyer of this Agreement, which shall be in full force and effect at the time of the Closing;

(iii) The certificate referred to in Section 16(a);

(iv) Buyer shall have delivered to Seller in cash or its equivalent the sum of Four Hundred Thousand Dollars (\$400,000.00); and

(v) Termination of the Ancillary Documents.

18. **Indemnification.**

(a) Seller hereby agrees to indemnify Buyer and its owners and shall hold Buyer harmless from and against any and all losses, claims, damages, liabilities, costs and other expenses (including reasonable attorneys' fees) ("Damages") arising out of or connected with (i) any breach or default by Seller under this Agreement; (ii) any failure by Seller to pay or perform any of the Retained Liabilities; or (iii) without limiting the foregoing, any litigation, proceeding or claim by any third party relating to the business or operation of the Station prior to Closing.

(b) Buyer hereby agrees to indemnify Seller and shall hold RCB, FYM and their stockholders harmless from and against any and all losses, claims, damages, liabilities, costs and other expenses (including reasonable attorneys' fees) ("Damages") arising out of or connected with (i) any misrepresentation or breach or failure of any warranty of Buyer contained in this Agreement or the nonfulfillment of any covenant, agreement or obligation of Buyer contained in this Agreement; and (ii) the ownership, possession, use, transfer or sale of the Station Assets or the business conducted by Buyer, Buyer's employees, officer, directors, agents and representatives, utilizing the Station Assets after Closing.

(c) **Procedures.** The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim. In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party. Notwithstanding anything herein to the contrary (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim, and shall have the right to consult with the indemnifying party and its counsel concerning such Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to such Claim; and (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim.

19. **Fees and Expenses.** The parties agree to bear their own expense for any and all attorneys' fees and other costs involved in the preparation or negotiation of this Agreement and any other documents relating to the implementation and consummation of this transaction.

20. **Seller's Remedies.** Except as set forth in Section 5, in the event of default on the part of Buyer under this Agreement, the Services Agreement or the Local Programming and Marketing Agreement, Seller may, at its option, either declare the entire balance of the Purchase Price due and collectible, or it may rescind this Agreement and retain the License. In the event of a termination

by Seller pursuant to Section 21(c), all payments hereunder shall be retained by Seller as liquidated damages, and not as a penalty, and the Buyer shall forfeit all rights under this Agreement as to the License. Nothing herein shall be construed to in any way limited the rights of the Seller or FYM at law or in equity. Any forbearance by Seller or FYM in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise in the future of any such right or remedy.

**21. Termination.** This Agreement may be terminated at any time prior to Closing as follows:

- (a) By mutual written consent of Buyer and Seller;
- (b) By written notice of Buyer to Seller if Seller (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date; or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);
- (c) By written notice of Seller to Buyer of Buyer's act or inaction which constitutes Seller's Cause and Seller's Cause is not cured within the Cure Period (defined below);
- (d) By written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application by final order; or
- (e) By written notice of Buyer to Seller, or by Seller to Buyer, if the Closing shall not have been consummated on or before December 31, 2003.

The term "Cure Period" as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) fifteen (15) days thereafter, or (ii) the Closing Date.

**22. Specific Performance.** In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

**23. Right of First Refusal.** Seller is the holder of FCC license #BLTTL-20010622AAH (the "KCTU License") and the owner of various equipment utilized in the operation of the KCTU License (the "KCTU Equipment"). If at any time prior to August 1, 2013, should RCB desire to sell

the KCTU License, or if at any time prior to August 1, 2006, should FYM desire to sell the KCTU Equipment, then Buyer shall have the right of first refusal to purchase the KCTU License and/or the KCTU Equipment as follows: Upon receipt of any signed offer to purchase either the KCTU License or the KCTU Equipment, or both, Seller shall give to Buyer the written notice specifying the terms and conditions of the offer. Within fourteen (14) days after receipt of such written notice, Buyer shall the right to accept a contract with Seller upon the same or equivalent terms and conditions as the proposed sale; provided, however, Buyer shall remit to Seller a refundable earnest money deposit equal to twenty percent (20%) of the purchase price and Buyer shall have ninety (90) days from receipt of the written notice to close any purchase of either the KCTU License or the KCTU Equipment, or both; provided the Deposit shall be nonrefundable in the event of Seller's cause on such Closing in a manner consistent with Sections 6 and 21 of this Agreement. If Buyer declines the offer and Seller fails to close the same, Buyer shall continue to have this right of first refusal as to other offers which Seller intends to accept. If the sale is to be made on terms and conditions other than so specified, then the right to purchase shall again be offered to Buyer as above set forth.

24. **Amendment and Modifications.** This Agreement may only be amended or modified in writing signed by RCB, Buyer and FYM at any time prior to the date of Closing with respect to any of the terms contained herein.

25. **Arbitration.** The parties agree that all disputes, claims and controversies between them, whether individual, joint or class in nature arising from this Agreement including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association; provided this exclusive arbitration provision shall not apply to the covenants set forth in Sections 14, 15 and 16. Each party shall appoint an arbitrator who shall be an attorney at law in Wichita, Kansas, and each party shall notify the other party of such appointment within thirty (30) days after the date of submittal by a party for arbitration as provided for in Section 31. In the event a party fails to timely appoint an arbitrator and provide notice as set forth above, the arbitrator appointed by the other party shall proceed as a single arbitrator and issue his or her award, and shall be accepted by both parties as final and binding. If two (2) arbitrators are appointed, within fifteen (15) days, such arbitrators shall appoint a third arbitrator and the three (3) so appointed shall constitute the board of arbitration whose majority decision shall be final and binding. The arbitrator(s) shall have the power to enjoin or restrain any act of a party in contravention to this Agreement and to award punitive and exemplary damages. Judgment upon any award rendered by the arbitrator(s) may be entered in the courts referred to in Section 28 for enforcement. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court referred to in Section 28. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. To the extent not in conflict herewith, the Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision. Each party shall advance one-half (½) of the arbitration cost. The non-substantially prevailing party shall be responsible for and shall pay all costs of arbitration including

the substantially prevailing party's attorneys fees and the arbitrator or board is hereby directed to assess the same. The parties hereby waive the right to jury trial.

26. **Waiver.** At any time prior to the Closing, the parties hereto may by mutual agreement (i) extend the time for the performance of any of the obligations or other acts of the other party hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant thereto, and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the parties hereto.

27. **Entire Agreement.** This Agreement contains the entire agreement between the parties and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof.

28. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas. The parties hereto agree that the forum for resolution of any dispute arising under this Agreement shall be Sedgwick County, Kansas, and each of the parties hereby consents and submits itself to the jurisdiction of any state or federal court sitting in Sedgwick County, Kansas.

29. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective, successors and assigns.

30. **Survival of Representations, Warranties and Indemnifications.** The obligations, covenants, agreements, representations, warranties and indemnifications included or provided for herein or in any exhibit, certificate or other document delivered pursuant to this Agreement shall survive the date of Closing.

31. **Notices.** All notices hereunder shall be deemed to be fully given if in writing and delivered personally, facsimile transmitted with receipt confirmed, or sent by registered mail or certified mail, return receipt requested, to the parties at the following addresses, or at such other addresses as shall be specified by like notice:

If to Seller:

River City Broadcasters, Inc.  
100 South Market  
Wichita, Kansas 67202  
Attn: Ronald V. Nutt, President  
Facsimile Number: 316-269-2555

If to Buyer:

Newmark Communications, L.L.C.  
400 South Victory Boulevard, Suite 300  
Burbank, California 91502  
Attn: Philip B. Newmark, Manager  
Facsimile Number: 818-955-7727

Any notice given by mail shall be effective two (2) days after deposit in the United States mail. Any notice given by facsimile or overnight delivery shall be effective upon the day after transmission or deposit.

32. **Exhibits.** The exhibits hereto form an integral part of this Agreement and are incorporated herein by reference and expressly made a part hereof.

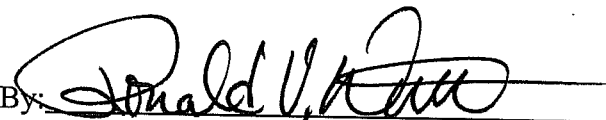
33. **Terms and Words.** All terms and words used in this Agreement, regardless of numbers and genders in which they are used, shall be deemed to include singular or plural and all genders as the context or sense of this Agreement or any paragraph or clause herein may require.

34. **Counterparts.** This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures of the parties hereto shall be binding.

**[Signatures follow on next page]**

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the day and year first written above.

**RIVER CITY BROADCASTERS, INC.**

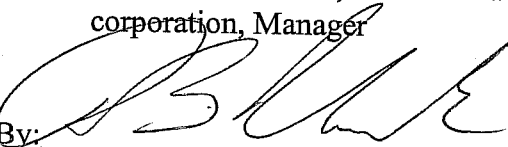
By: 

Ronald V. Nutt, President

**"RCB"**

**NEWMARK COMMUNICATIONS, L.L.C.**

By: PBN ENTERPRISES, a California  
corporation, Manager

By: 

Philip B. Newmark, President

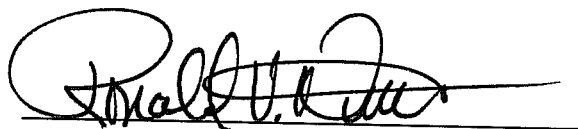
**"Buyer"**

**F.Y.M. BROADCASTING CORPORATION**

By: 

Ronald V. Nutt, President

**"FYM"**



Ronald V. Nutt

**"Nutt"**

**EXHIBIT "A"**

**License**





United States of America  
FEDERAL COMMUNICATIONS COMMISSION  
LOW POWER TELEVISION/TELEVISION TRANSLATOR  
BROADCAST STATION LICENSE

Authorizing Official:

*Hossein Hashemzadeh*  
Hossein Hashemzadeh

Supervisory Engineer, LPTV Branch  
Video Services Division

Mass Media Bureau

Grant Date: SEP 19 2004

This license expires 3:00 a.m.  
local time, June 01, 2006.

Official Mailing Address:

RIVER CITY BROADCASTING CORP.,  
111 WEST DOUGLAS AVE.  
SUITE 102  
WICHITA KS 67202

Facility Id: 56518

Call Sign: KSMI-LP

License File Number: BLTTL-20010622AAG

This License Covers Permit No.: BPTTL-20010220AAX

Subject to the provisions of the Communications Act of 1934, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this license, the licensee is hereby authorized to use and operate the radio transmitting apparatus herein described.

This license is issued on the licensee's representation that the statements contained in licensee's application are true and that the undertakings therein contained so far as they are consistent herewith, will be carried out in good faith. The licensee shall, during the term of this license, render such broadcasting service as will serve the public interest, convenience, or necessity to the full extent of the privileges herein conferred.

This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequency designated in the license beyond the term hereof, nor in any other manner than authorized herein. Neither the license nor the right granted hereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934. This license is subject to the right of use or control by the Government of the United States conferred by Section 606 of the Communications Act of 1934.

Name of Licensee: RIVER CITY BROADCASTING CORP.

Station Location: KS-WICHITA

Frequency (MHz): 692 - 698

Offset: NONE

Channel: 51

Hours of Operation: Unlimited

Transmitter: Type Accepted. See Sections 74.750 of the Commission's Rules.

Antenna type: (directional or non-directional): Non-Directional

Description: BOG B4UH

Major lobe directions (degrees true): Not Applicable

Antenna Coordinates: North Latitude: 37 deg 41 min 14 sec  
West Longitude: 97 deg 20 min 33 sec

Maximum effective radiated power (Visual): 4.1 kW

Height of radiation center above ground: 63.48 Meters

Height of radiation center above mean sea level: 460.63 Meters

Antenna structure registration number: None

Overall height of antenna structure above ground: 60.48 meters.

Special operating conditions or restrictions:

- 1 This authorization is subject to the condition that low power television is a secondary service, and that low power television and television translator stations must not cause interference to the reception of existing or future full service television stations on either allotted NTSC or DTV channels, and must accept interference from such stations.

\*\*\* END OF AUTHORIZATION \*\*\*

# RADIO BROADCAST STATION LICENSE

Licensee Name: RIVER CITY BROADCASTING CORP

Radio Service: RP AUXILIARY REMOTE PICKUP

Call Sign: KO8946

File Number: 924246

License Effective Date: 08/09/2000

License Expiration Date: 06/01/2006

Associated Broadcast Station: KSMI LP

20000809S 106 1 1Z

RIVER CITY BROADCASTING CORP  
111 WEST DOUGLAS AVE SUITE 102  
WICHITA KS 67202

## Station Technical Specifications

FCC ID	Frequencies MHZ	Station Class	No. of units	Emission Designator	Output Power (Watts)	Overall Height	Ground Elev.	Ant. Ht. to Tip	Antenna Latitude	Antenna Longitude
G:	166.25000	MO	1	25K0F3E	36.000					
<p>AREA OF OPERATION SITE G: LA</p> <p>SPECIAL COND: FAC ID 56518</p> <p>ADMIN NOTE: SUP: THIS LICENSE SUPERSEDES AND REPLACES PREVIOUS AUTHORIZATION OF SAME DATE AND FILE NUMBER TO UPDATE ADMINISTRATIVE LICENSE INFORMATION AND MAKE LICENSE TERM AGREE WITH PARENT CALL SIGN. JEL 08/09/00</p> <p>The latitude/longitude are authorized in North American Datum 1927 (NAD27). Additionally, the antenna height to tip, ground elevation, AAT and area of operation units are authorized in metric.</p>										
<p>EMISSION DESIGNATOR(S) CONVERTED TO CONFORM TO DESIGNATOR(S) SET OUT IN PART 2 OF THE COMMISSION'S RULES.</p>										

PAGE 1 OF 1



FEDERAL COMMUNICATIONS COMMISSION  
GETTYSBURG, PENNSYLVANIA

FCC 313B  
April 1995



Federal Communications Commission  
Wireless Telecommunications Bureau

Page 1 of 1  
2204

RADIO STATION AUTHORIZATION

Licensee: RIVER CITY BROADCASTING CORP.

RIVER CITY BROADCASTING CORP.  
111 WEST DOUGLAS AVE. SUITE 102  
WICHITA KS 67202

FCC Registration  
Number (FRN):

Call Sign K08946	File Number
Radio Service RP - Broadcast Auxiliary Remote Pickup	
Regulatory Status PMRS	
Frequency Coordination Number	

Grant Date 08-09-2000	Effective Date 08-09-2000	Expiration Date 06-01-2006	Print Date 01-23-2003
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STATION TECHNICAL SPECIFICATIONS

Fixed Location Address or Mobile Area of Operation

Antennas

Loc. No.	Ant. No.	Frequencies (MHZ)	Sta. CIs.	No. Units	No. Pagers	Emission Designator	Output Power (watts)	ERP (watts)	Ant. Ht./Tp meters	Ant. AAT meters	Construct Deadline Date
1	1	166.25000	M0	1	0	25K0F3E	36.000				

Broadcast Auxiliary Parent Station Facility ID Number. 56518

Conditions:

Pursuant to Section 309(h) of the Communications Act of 1934, as amended, 47 U.S.C. Section 309(h), this license is subject to the following conditions: This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized herein. Neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934, as amended. See 47 U.S.C. Section 310(d). This license is subject in terms to the right of use or control conferred by Section 706 of the Communications Act of 1934, as amended. See 47 U.S.C. Section 706.

FEDERAL COMMUNICATIONS  
COMMISSION  
WASHINGTON, DC 20554

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE \$300



FIRST CLASS MAIL	
POSTAGE & FEES PAID	
FEDERAL	
PENALTY FOR PRIVATE USE \$300	COMMUNICATIONS COMMISSION PERMIT NO. 61
L. MEYER H 536045	

**LICENSE RENEWAL AUTHORIZATION**

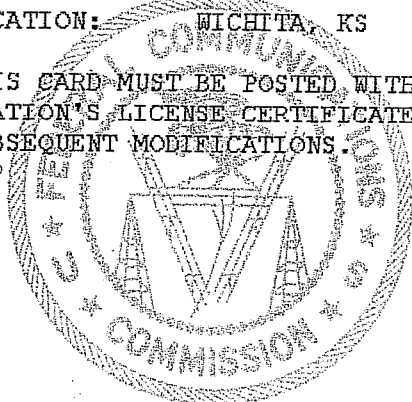
THIS IS TO NOTIFY YOU THAT YOUR  
APPLICATION FOR RENEWAL OF LICENSE  
BRITL - 990113AE, WAS GRANTED ON  
06-25-1999 FOR A TERM EXPIRING  
ON 06-01-2006

CHANNEL: 51

THIS IS YOUR LICENSE RENEWAL  
AUTHORIZATION FOR STATION KSMI-LP  
FACILITY ID: 56518

LOCATION: WICHITA, KS

THIS CARD MUST BE POSTED WITH THE  
STATION'S LICENSE CERTIFICATE AND ANY  
SUBSEQUENT MODIFICATIONS.



6720273214 03

FCC 372 (4/95) NOTIFICATION

RIVER CITY BROADCASTING CORP.  
KSMI-LP UHF TRANSLATOR LOW POWER  
111 WEST DOUGLAS AVE.  
SUITE 102  
WICHITA, KS 67202



## **EXHIBIT "B"**

1. 1 KW Acrodyne transmitter  
Class TLU-IKACT  
Model # 24104853-503  
Serial #2477  
FCC ID #BQM82K22802202-3
2. Bogner Model BOH16 Bay Antenna

**EXHIBIT "C"**

**Form of Guarantee**

## **EXHIBIT "C"**

### **GUARANTEE**

**THIS GUARANTEE** (the "Guarantee") is entered into as of the 22nd day of August, 2003, by Ronald V. Nutt and Sheryl Nutt (individually the "Guarantor" and collectively the "Guarantors"), for the benefit of Newmark Communications, L.L.C., a Kansas limited liability company ("Buyer").

### **RECITALS**

WHEREAS, River City Broadcasters, Inc., a Kansas corporation ("RCB"), Buyer, Nutt and F.Y.M. Broadcasting Corporation, a Kansas corporation ("FYM"), have contemporaneously with the execution and delivery of this Guarantee, executed that certain Asset Purchase Agreement ("Purchase Agreement"), the terms and conditions of which are incorporated herein by reference, whereby Buyer shall deliver to RCB and FYM Three Hundred Thousand Dollars (\$300,000.00) as a deposit ("Deposit"), FYM shall execute and deliver a Security Agreement ("Security Agreement"), and Guarantors shall execute and deliver a Stock Pledge Agreement ("Pledge Agreement"); and

WHEREAS, as an inducement to deliver the Deposit prior to Closing of the Purchase Agreement, the Guarantors, each of whom is a shareholder of RCB, agreed in furtherance of the Purchase Agreement to guarantee the repayment of the Deposit by RCB and FYM under the Purchase Agreement by execution of this Guarantee in favor of Buyer of even date herewith. The Purchase Agreement, Pledge Agreement and Security Agreement are collectively referred to herein as the "Financing Documents".

### **AGREEMENT**

NOW, THEREFORE, the Guarantors each jointly and severally agree as follows:

1. Guarantors unconditionally, irrevocably and absolutely guarantee, without deduction by reason of setoff, defense or counterclaim, to Buyer and its successors and assigns, the full and punctual repayment of the Deposit by RCB and FYM under the Purchase Agreement.
2. If RCB, FYM and/or Nutt shall at any time default in the repayment of the Deposit pursuant to the Financing Documents, Guarantors will keep, perform and observe the same, as the case may be, in the place of RCB and FYM.
3. Guarantors do hereby agree that, without the consent of, or notice to Guarantors and without affecting any of the obligations of Guarantors hereunder: (i) any term, covenant or condition of the Financing Documents may be amended, compromised, released or otherwise altered by Buyer, RCB, FYM and Nutt, and Guarantors do guarantee and promise to perform all the obligations of RCB, FYM and Nutt under the Financing Documents, as so amended, compromised, released or altered; (ii) any guarantor of, or party to, the Financing Documents may be released, substituted or



added; (iii) any right or remedy under the Financing Documents, may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; (iv) Buyer or any other person may deal in any manner with RCB, FYM and/or Nutt, any guarantor, any party to the Financing Documents, or any person; and (v) all or any part of the assets or of RCB's, FYM's and/or Nutt's rights or liabilities under the Financing Documents may be assigned or assumed without Guarantors' consent or agreement.

4. The liability of Guarantors hereunder shall in no way be affected by (i) the release or discharge of RCB, FYM and/or Nutt in any creditor's receivership, bankruptcy or other proceeding; (ii) the impairment, limitation or modification of the liability of RCB, FYM and/or Nutt in bankruptcy, or of any remedy for the enforcement of RCB's, FYM's and/or Nutt's liability under the Financing Documents resulting from the operation of any present or future provision of the bankruptcy laws or other statute or from the decision in any court; (iii) the rejection or disaffirmance of the Financing Documents in any such proceedings; (iv) any disability or other defense of RCB, FYM and/or Nutt; (v) the cessation from any cause whatsoever of the liability of RCB, FYM and/or Nutt; (vi) the exercise by Buyer of any of its rights or remedies reserved under the Financing Documents or by law; or (vii) any termination of the Financing Documents.

5. Guarantors further agree that they may be joined in any action against RCB, FYM and/or Nutt in connection with RCB's, FYM's and/or Nutt's obligations and recovery may be had against Guarantors in any such action. Guarantors hereby waive and agree not to assert or take advantage of: (i) any right to require Buyer to proceed against RCB, FYM and/or Nutt or any other person or to pursue any other remedy before proceeding against the Guarantors; (ii) the defense of any statute of limitations in any action under or related to this Guarantee or the Financing Documents; (iii) any right or defense that may arise by reason of the lack of authority of RCB, FYM and/or Nutt or any other person; and (iv) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election of remedies or otherwise) of the liability of RCB, FYM and/or Nutt, of the subrogation rights of Guarantors or of the right of Guarantors to proceed against RCB, FYM and/or Nutt for reimbursement.

6. Guarantors hereby waive and agree not to assert or take advantage of any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of the RCB, FYM and/or Nutt or other facts which increase the risk to the undersigned, notices of non-performance and notices of acceptance of this Guarantee) and protests of each and every kind.

7. Until the repayment of the Deposit pursuant to the Financial Documents, Guarantors (i) shall have no right of subrogation against RCB, FYM and/or Nutt by reason of any payments or acts of performance by Guarantors hereunder; and (ii) subordinates any liability or indebtedness of RCB, FYM and/or Nutt now or hereafter held by Guarantors to the obligations of RCB, FYM and/or Nutt to Buyer under the Financing Documents.

8. This Guarantee is a continuing guarantee and shall apply to the Financing Documents, any extension, renewal, modification, substitution or amendment thereof and to any assignment, subletting or other tenancy thereunder or to any holdover term following the term or any extension or renewal thereof.

9. If this Guarantee shall be held ineffective or unenforceable by any court of competent jurisdiction or in the event of any limitation of Guarantors' liability hereunder other than as expressly provided herein, then Guarantors shall, as the case may be, be deemed to be a seller under the Financing Documents with the same force and effect as if Guarantors were expressly named as a joint and several seller therein with respect to the obligations of RCB, FYM and/or Nutt thereunder hereby guaranteed.

10. In the event of any litigation between Guarantors and Buyer with respect to the subject matter hereof, the unsuccessful party to such litigation agrees to pay to the successful party all fees, costs and expenses thereof, including reasonable attorneys' fees and expenses.

11. No delay on the part of Buyer in exercising any right hereunder or under the Financing Documents shall operate as a waiver of such right or of any other right of Buyer under the Financing Documents or hereunder, nor shall any delay, omission or waiver on any occasion be deemed a bar to or a waiver of the same or any other right on any future occasion.

12. Except as otherwise provided herein, this instrument constitutes the entire agreement between Buyer and Guarantors with respect to the subject matter hereof, superseding all prior oral or written agreements or understandings with respect thereto and may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantors and Buyer.

13. This Guarantee shall be governed by and construed in accordance with the laws of the state of Kansas.

14. Should any one or more of the provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

15. Any notices pursuant to this Guarantee shall be in writing and delivered personally, facsimile transmitted with receipt confirmed, or sent via certified mail, return receipt requested, as follows:

Notices to the Buyer are to be sent to:

Newmark Communications, L.L.C.  
ATTN: Philip B. Newmark  
400 South Victory Boulevard, Suite 300  
Burbank, California 91502  
Facsimile Number: 818-955-7727

With a copy to:

Paul F. Good  
Brown, Dengler, Good & Rider, L.C.  
200 East First Street, Suite 200  
Wichita, Kansas 67202  
Facsimile Number: 213-265-0046

Notices to the Guarantors are to be sent to: Ronald V. Nutt or Sheryl Nutt  
1218 Maus Lane  
Wichita, Kansas 67212  
Facsimile Number: 316-269-2555

With a copy to: Scott A. Eads  
Klenda, Mitchell, Austerman & Zuercher, L.L.C.  
1600 Epic Center  
301 North Main  
Wichita, Kansas 67202-4888  
Facsimile Number: 316-267-0333

Notices shall be deemed effective upon receipt for personal delivery or on the day next following transmittal, except that under no circumstances shall Buyer be obligated to give Guarantors any notice not specifically required to be given by Buyer pursuant to this Guarantee. Either party may by notice given as aforesaid designate a different address for notice purposes. Any action to declare or enforce any rights or obligations under this Guarantee may be commenced by Buyer in the District Court of Sedgwick County, Kansas, 18th Judicial District. Guarantors hereby consent to the jurisdiction of such Court for such purposes and agree that any notice, complaint or other legal process therein may be delivered to Guarantors in accordance with the above notice provisions, and that any notice, complaint or other legal process so delivered shall constitute adequate notice to the Guarantors and shall be deemed to be Guarantors' consent to the jurisdiction of such Court for purposes of adjudicating any matter related to this Guarantee.

16. In the event this Guarantee is executed, endorsed or assumed by more than one (1) person or entity, all of the obligations herein contained shall apply to each such party and shall be joint and several among all of said parties.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO  
GUARANTEE

IN WITNESS WHEREOF, Guarantors have executed this Guarantee as of the date first above written.

\_\_\_\_\_  
Ronald V. Nutt

\_\_\_\_\_  
Sheryl Nutt

ACKNOWLEDGMENT

STATE OF KANSAS            )  
  ) ss:  
COUNTY OF SEDGWICK    )

This instrument was acknowledged before me on this 22nd day of August, 2003, by Ronald V. Nutt and Sheryl Nutt, who are personally known to me to be the persons who executed this instrument of writing.

In testimony whereof, I have hereunto set my hand and affixed my notary seal the day and year last above written.

\_\_\_\_\_  
Notary Public

My Appointment Expires:

\_\_\_\_\_

**EXHIBIT "D"**

**Form of Stock Pledge Agreement**

## **EXHIBIT "D"**

### **STOCK PLEDGE AGREEMENT**

This Stock Pledge Agreement ("Pledge Agreement") is made as of this 22nd day of August, 2003, by and among Ronald V. Nutt and Sheryl Nutt (individually the "Pledgor" and collectively the "Pledgors"), and Newmark Communications, L.L.C., a Kansas limited liability company (the "Pledgee").

WHEREAS, River City Broadcasters, Inc., a Kansas corporation ("RCB"), F.Y.M. Broadcasting Corporation, a Kansas corporation ("FYM"), Pledgors and Pledgee have contemporaneously with the execution and delivery of this Pledge Agreement, executed that certain Asset Purchase Agreement ("Purchase Agreement"), the terms and conditions of which are incorporated herein by reference, whereby Pledgee shall deliver to RCB and FYM Three Hundred Thousand Dollars (\$300,000.00) as a deposit ("Deposit"), FYM shall execute and deliver a Security Agreement ("Security Agreement"), and Pledgors shall execute and deliver a Guarantee ("Guarantee").

WHEREAS, as an inducement to deliver the Deposit prior to Closing of the Purchase Agreement, the Pledgors, each of whom is a shareholder of RCB, agreed in furtherance of the Purchase Agreement to guarantee RCB's, FYM's and Pledgors' performance under the Purchase Agreement, Guarantee and Security Agreement by execution of this Pledge Agreement in favor of Pledgee of even date herewith. The Purchase Agreement, Guarantee and Security Agreement are collectively referred to herein as the "Financing Documents".

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the Pledgors agrees as follows:

1. Pledge. As collateral security for repayment in full of the Deposit and full satisfaction of all obligations under the other Financial Documents, each of the Pledgors hereby pledges, hypothecates, assigns, transfers, sets over and delivers unto the Pledgee, and hereby grants to the Pledgee a security interest in (a) all of the shares of Common Stock of RCB owned of record and beneficially by the Pledgors (the "Common Stock") (all as set forth in Schedule A hereto) and which may hereafter be acquired by any Pledgor; (b) all proceeds of such Common Stock and securities or other property at any time and from time to time receivable or otherwise distributed in respect of or in exchange for any or all such Common Stock or additional securities, except as otherwise provided in Section 4(a)(ii) hereof. All items referred to in clauses (a) and (b) of the preceding sentence of this Section 1 are herein collectively called the "Pledged Securities". All Pledged Securities shall be promptly delivered to the Pledgee and shall be accompanied by stock powers, duly endorsed or executed in blank, and by such other instruments or documents as the Pledgee or its counsel shall reasonably request.

2. Registration and Transfer of Pledged Securities. Prior to the occurrence of an Event of Default, the Pledgee shall hold the Pledged Securities in the name of the Pledgors. Upon the occurrence of an Event of Default which shall have occurred and be continuing for ninety (90) days, and after receipt of any necessary consent of the Federal Communications Commission ("FCC"), (i) each of the Pledgors hereby authorizes and appoints the Pledgee as its attorney-in-fact to transfer the Pledged Securities on the books of RCB or other issuing entity to the Pledgee or its transferee; and (ii) the Pledgee shall have the right to exchange the certificates representing the Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Pledge Agreement. The Pledgee shall hold the Pledged Securities as security for repayment in full

of the Deposit and full satisfaction of all obligations under the Financing Documents and shall not otherwise encumber or dispose of the Pledged Securities except in accordance with the provisions of this Pledge Agreement.

3. Pledgors' Representations, Warranties and Covenants. Each of the Pledgors hereby represents and warrants to the Pledgee that (i) the Common Stock constitutes one hundred percent (100%) of the issued and outstanding equity securities of RCB (including any securities convertible into equity securities), (ii) there are no restrictions on the transfer of the Common Stock, (iii) there are no options, warrants or similar rights outstanding or proposed to be issued pursuant to which additional shares of stock of RCB may be issued, and (iv) the Pledgors have the right to pledge the Pledged Securities free of any encumbrances and without the consent of the creditors of the Pledgors or any other person or any governmental agency whatsoever, other than the FCC to the extent, if any, required by applicable law. Each Pledgor hereby covenants to the Pledgee that such Pledgor (i) will not take any action to allow any additional shares of Common Stock or any other equity securities of RCB or any successor entity to be issued, and (ii) will promptly use such Pledgor's best efforts to obtain any consent of the FCC which may be required in connection with the execution, delivery and performance of this Pledge Agreement and any transfer of the Pledged Securities contemplated hereby.

4. Voting Rights; Dividends; Etc.

(a) Unless and until an Event of Default shall have occurred:

(i) Each Pledgor shall be entitled to exercise any and all voting and/or consensual rights and powers accruing to owners of the Pledged Securities or any part thereof for any purpose not inconsistent with the terms hereof;



(ii) Any dividends or distributions of any kind whatsoever received by any Pledgor, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of the issuer or received in exchange for Pledged Securities or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets to which the issuer may be a party or otherwise, shall be and become part of the Pledged Securities pledged hereunder and shall forthwith be delivered to the Pledgee to be held subject to the terms of this Agreement; provided, however, that all cash dividends or other cash distributions received by the Pledgee shall be used to satisfy or prepay the amounts due under the Financing Documents.

(b) Upon (i) the occurrence and during the continuance of any Event of Default for a period of ninety (90) days and (ii) the granting of the FCC's consent to the transfer of the Pledged Securities to the transferee approved by the FCC (to the extent such consent or approval of the FCC may be required by applicable law and shall not have been previously obtained), all rights of each Pledgor to exercise the voting and/or consensual rights and power which Pledgor is entitled to exercise pursuant to Section 4(a)(i) hereof shall cease, and all such rights shall thereupon become vested in the transferee approved by the FCC (unless such approval by the FCC is not required by applicable law, in which case all such rights shall thereupon become vested in the Pledgee or its transferee), which shall have the sole and exclusive right and authority to exercise such voting and/or consensual rights.

5. Remedies Upon Default. If any Event of Default shall have occurred and be continuing ninety (90) days from the date originally due, the Pledgee may sell the Pledged Securities, or any part thereof, at public or private sale or at any broker's board or on any securities

exchange, for cash, upon credit or for future delivery as the Pledgee shall deem appropriate. The Pledgee shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Pledged Securities for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Pledgee shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Pledged Securities so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor; provided, however, that prior to the consummation of such sale each Pledgor shall be entitled to redeem this pledge of Pledged Securities by paying all amounts owed by RCB to Pledgee under the terms of the Financing Documents together with any additional costs or expenses incurred by the Pledgee in connection with the proposed sale of the Pledged Securities.

The Pledgee shall give each Pledgor fifteen (15) days' written notice of the Pledgee's intention to make any such public or private sale or sale at any broker's board or on any such securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Pledged Securities, or portion thereof, will first be offered for sale at such board or exchange. Any such public notice shall contain a statement that any such sale is subject to FCC approval. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Pledgee may fix and shall state in the notice of such sale. At any such sale, the Pledged Securities, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Pledgee may (in its sole and absolute discretion) determine. The Pledgee shall not be obligated to make any sale of the Pledged Securities if it shall determine not to do so, regardless of the fact that notice of sale of the Pledged Securities may have been given. The

Pledgee may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale, may, without further notice, be made at the time and place to which the same was so adjourned. In case sale of all or any part of the Pledged Securities is made on credit or for future delivery, the Pledged Securities so sold may be retained by the Pledgee until the sale price is paid by the purchaser or purchasers thereof, but the Pledgee shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Pledged Securities so sold and, in case of any such failure, such Pledged Securities may be sold again upon like notice. As an alternative to exercising the power of sale herein conferred upon it, the Pledgee may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Pledged Securities, or any portion thereof, pursuant to a judgment or decree of a court having competent jurisdiction.

All actions which may be taken pursuant to the provision of this Section 5 and/or Section 7 hereof are subject, in every instance, to the receipt of any prior consents of the FCC which may be required under applicable law.

6. Application of Proceeds of Sale and Cash. The proceeds of sale of the Pledged Securities sold pursuant to Section 5 hereof shall be applied by the Pledgee (in such order as the Pledgee shall in its sole discretion determine) as follows:

- (a) To the payment of all reasonable costs and expenses incurred by the Pledgee in connection with such sale, including, but not limited to, all court costs and the reasonable fees and expenses of counsel for the Pledgee in connection therewith, and to the repayment of all advances made by the Pledgee hereunder for the account of RCB or the Pledgors and the payment of all other reasonable costs and expenses paid or incurred by the Pledgee in

connection with the Financing Documents, or the exercise of any right or remedy thereunder, to the extent that such advances, costs and expenses shall not have been paid previously to the Pledgee; and

(b) To the payment in full of any other obligations under the Financing Documents.

Any amounts remaining after such applications shall be remitted to the Pledgors or as a court of competent jurisdiction may otherwise direct.

7. Pledgee Appointed Attorney-in-Fact. Upon the occurrence of an Event of Default, each Pledgor hereby appoints the Pledgee its attorney-in-fact for the purpose of carrying out the provisions of this Pledge Agreement and the pledge of the Pledged Securities hereunder and taking any action and executing any instrument which the Pledgee may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Pledgee shall have the right and power to receive, endorse and collect all checks and other orders for the payment of money made payable to any Pledgor representing any dividend or other distribution payable in respect of the Pledged Securities or any part thereof and to give full discharge for the same.

8. Event of Default. The occurrence of any of the following events shall constitute an event of default for purposes of this Pledge Agreement ("Event of Default"):

(a) Failure by RCB to pay any amount due to Pledgee pursuant to the Financing Documents and/or any other agreement, document or instrument between RCB and Pledgee;

(b) Filing by any Pledgor of a voluntary petition in bankruptcy or voluntary petition or an answer seeking reorganization, arrangement, readjustment of debts, or any

other relief under the Federal Bankruptcy Code or under any other insolvency act or law now or hereafter existing, the making by any Pledgor of a general assignment for the benefit of creditors, the insolvency of any Pledgor, or the inability of any Pledgor to pay such Pledgor's debts as they mature;

(c) Filing of an involuntary petition against any Pledgor seeking reorganization, arrangement, readjustment of debts, or any other relief under the Federal Bankruptcy Code or under any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee of or for any Pledgor;

(d) The entry of judgment against any Pledgor which is not satisfied within forty-five (45) days after the date of such judgment;

(e) The attachment, garnishment, levy or execution upon, or judicial seizure of, all or any part of the assets of any Pledgor; or

(f) The existence or creation of any lien or interest in any of the Pledgors' assets that are associated with or owned by RCB or FYM other than an interest specifically approved in writing by Pledgee.

9. Securities Act, Etc. In view of the position of the Pledgors in relation to the Pledged Securities, or because of other present or future circumstances, a question may arise under the Securities Act of 1933, as amended, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any similar statute as from time to time in effect being hereinafter called the "Federal Securities Laws") with respect to any disposition of the Pledged Securities permitted hereunder. Each Pledgor understands that compliance with the Federal Securities Laws may very strictly limit the course of conduct of the Pledgee if the Pledgee were to

attempt to dispose of all or any part of the Pledged Securities, and may also limit the extent to which or the manner in which any subsequent transferee of any Pledged Securities may dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Pledgee in any attempt to dispose of all or any part of the Pledged Securities under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Under applicable law, in the absence of an agreement to the contrary, the Pledgee may perhaps be held to have certain general duties and obligations to each Pledgor to make some effort towards obtaining a fair price even though the amounts due to Pledgee may be discharged or reduced by the proceeds of a sale at a lesser price. Each Pledgor clearly understands that the Pledgee is not to have any such general duty or obligations, and will not attempt to hold the Pledgee responsible for selling all or any part of the Pledged Securities at an inadequate price even if the Pledgee shall accept the first offer received or does not approach more than one possible purchaser, provided that the Pledgee acts in good faith. Without limiting the generality of the foregoing, the provisions of this Section 9 would apply if, for example, the Pledgee were to place all or any part of the Pledged Securities for private placement by an investment banking firm, or if such investment banking firm purchased all or any part of the Pledged Securities for its own account, or if the Pledgee placed all or any part of the Pledged Securities privately with a purchaser or purchasers.

10. FCC Compliance. Notwithstanding anything to the contrary contained herein, the Pledgee will not take any action pursuant to this Pledge Agreement which would constitute or result in an assignment of any FCC license, construction permit or other authorization or a change of control of RCB if such assignment of FCC license, construction permit or other authorization or change of control would require under then existing law (including the written rules and regulations

promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. The Pledgee specifically agrees that (a) voting rights in the stock of RCB will remain with the holders of such voting rights upon and following the occurrence of an Event of Default unless any required prior approvals of the FCC to the transfer of such voting rights shall have been obtained; and (b) prior to the exercise of voting rights by a purchaser of the Pledged Securities at a private or public sale, the prior consent of the FCC pursuant to 47 U.S.C. § 310(d) or any successor provision or applicable law will, if required, be obtained. Each Pledgor agrees after the occurrence of any Event of Default to take any action which the Pledgee may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Pledgee by this Pledge Agreement and each other agreement, instrument and document delivered to the Pledgee in connection herewith or by any of the Financing Documents, including specifically, at the Pledgor's own cost and expense, the use of Pledgor's best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Pledge Agreement which is then required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's and licensee's portions of any application or applications for consent to assignment of license, construction permit or other authorization or transfer of control necessary or appropriate under the FCC's rules and regulations. Each Pledgor further consents to the assignment or transfer of control of any FCC license, construction permit, or other authorization to a receiver, trustee, or similar official or to any purchaser of the pledged securities pursuant to any public or private sale, judicial sale, foreclosure, or exercise of other remedies available to Pledgee as permitted by applicable law.

11. Termination. The pledge hereunder shall terminate upon either the Closing of the Purchase Agreement or when all amounts due to Pledgee under the Financing Documents have been

paid in full and all expenses of the type referred to in paragraph (a) of Section 6 hereof shall have been fully paid, at which time the Pledgee shall reassign and deliver to the Pledgors, or to such Person or Persons as the Pledgors shall designate, against receipt, such of the Pledged Securities (if any) as shall not have been sold or otherwise applied by the Pledgee pursuant to the terms hereof and shall still be held by it hereunder, together with appropriate instruments of reassignment and release. Any such reassignment shall be without recourse upon or warranty by the Pledgee and at the expense of the Pledgors.

12. Waiver of Notice, Etc. Except as specifically provided for herein, each Pledgor waives demand, notice, protest, notice of acceptance of this Pledge Agreement, notice of any extensions granted, collateral received or delivered or any action taken in reliance hereon, all demands and notices in connection with the delivery, acceptance, performance, default or enforcement of any obligation under the Financing Documents and all other demands and notices of any description; and assent to any extension or postponement of the time of payment of any of the obligations under the Financing Documents or any other indulgence, to any substitution, exchange or release of collateral and/or to the addition or release of any person primarily or secondarily liable therefor.

13. Notices. Any notice or other communication required or permitted hereunder shall be sufficiently given if hand delivered, sent by United States mail, first class postage prepaid, or by overnight delivery (e.g., FedEx or Airborne), postage prepaid, addressed as follows:

(a) If to Pledgee, addressed to: Newmark Communications, L.L.C.  
ATTN: Philip B. Newmark  
400 South Victory Boulevard, Suite 300  
Burbank, California 91502



With a copy to: Paul F. Good  
Brown, Dengler, Good & Rider, L.C.  
200 East First Street, Suite 200  
Wichita, Kansas 67202

(b) If to any Pledgor, addressed to: Ronald V. Nutt or Sheryl Nutt  
1218 Maus Lane  
Wichita, Kansas 67212

With a copy to: Scott A. Eads  
Klenda, Mitchell, Austerman & Zuercher, L.L.C.  
1600 Epic Center  
301 North Main  
Wichita, Kansas 67202-4888

or to such other address as may be specified by either party in a written notice to the other party.

Any such notice or communication shall be deemed to have been given as of the date so mailed.

14. Transfer of Shares. No Pledgor shall sell, assign or transfer any of the Pledged Securities, without the prior written consent of Pledgee. In no event may a sale, assignment or transfer of the Pledged Securities occur unless prior to any such sale, assignment or transfer, the transferee executes a Pledge Agreement in substantially the form of this Pledge Agreement with respect to the transferred Pledged Securities.

15. Assignment. This Pledge Agreement shall not be assignable by Pledgee or any subsequent assignee without the prior written consent of Pledgors.

16. Governing Law. This Pledge Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO  
STOCK PLEDGE AGREEMENT

IN WITNESS WHEREOF, Pledgee and each Pledgor have caused this Pledge Agreement to be duly executed, all as of the day and year first above written.

ATTEST:

PLEDGEE:

NEWMARK COMMUNICATIONS, L.L.C.

By: PBN ENTERPRISES, a California  
corporation, Manager

\_\_\_\_\_

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

Philip B. Newmark, President

ATTEST:

PLEDGORS:

\_\_\_\_\_

\_\_\_\_\_  
Ronald V. Nutt

\_\_\_\_\_

\_\_\_\_\_  
Sheryl Nutt

## **EXHIBIT "E"**

### **Form of Security Agreement**

## **EXHIBIT "E"**

### **SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (the "Agreement"), dated as of August 22, 2003, is entered into by and between Newmark Communications, L.L.C., a Kansas limited liability company ("Secured Party"), and F.Y.M. Broadcasting Corporation, a Kansas corporation ("Grantor").

WITNESSETH:

WHEREAS, River City Broadcasters, Inc., a Kansas corporation ("RCB"), Secured Party, Ronald V. Nutt and Sheryl Nutt (individually "Owner" and collectively "Owners"), and Grantor have contemporaneously with the execution and delivery of this Security Agreement, executed that certain Asset Purchase Agreement ("Purchase Agreement"), the terms and conditions of which are incorporated herein by reference, pursuant to which Grantor is purchasing the license and certain equipment used or useful in the operation of FCC license #BLTTL-20010622AAG, call sign KSMI, located in Wichita, Kansas (the "Station"); and

WHEREAS, pursuant to the Purchase Agreement the Grantor shall deliver to the Secured Party and RCB Three Hundred Thousand Dollars (\$300,000.00) as a deposit ("Deposit"); and

WHEREAS, as an inducement to deliver the Deposit prior to Closing of the Purchase Agreement, Grantor has agreed to execute this Agreement as security for its performance and repayment of the Deposit and the performance of the covenants and agreements herein contained; and also to secure the reimbursement to Secured Party of any and all costs and expenses (including reasonable attorney's fees) incurred or paid on account of any litigation at law or in equity which may arise with respect to the Deposit or this Agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

#### **1. DEFINITIONS**

When used herein, the terms set forth below shall be defined as follows:

1.1 "Date of Agreement" is August 22, 2003.

1.2 "Grantor" means F.Y.M. Broadcasting Corporation, a Kansas corporation.

1.3 "Grantor's Address" is 100 South Market, Wichita, Kansas 67202.

1.4 "Secured Party's Address" is 400 South Victory Boulevard, Suite 300, Burbank, California 91502.

1.5 "Equipment" means all machinery and equipment and furniture and fixtures and all personal property of Grantor, and any lease for any of the foregoing, now owned or hereafter acquired by Grantor, and used or acquired for use in the business of Grantor, together with all accessions thereto and all substitutions and replacements thereof and parts therefor; all cash or non-cash proceeds of all of the foregoing; and including, without limitation, all equipment listed on Schedule A attached hereto.

1.6 "Collateral" means:

1.6.1 Equipment as defined in 1.5 above; and

1.6.2 All ledger sheets, files, records, documents and instruments (including, without limitation, computer programs, tapes and related electronic data processing software) evidencing an interest in or relating to the Collateral; and

1.6.3 The proceeds of any of the foregoing, and all cash, accounts, notes, and other consideration that may be received as a result of any sale or disposition of the Station.

1.7 "Event of Default" means each and every event specified in Section 6.1 of this Agreement.

1.8 "Obligations" means all indebtedness, obligations and liabilities of Guarantor to Secured Party of every kind and description, direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or thereafter arising, regardless of how the same arise or by what instrument, agreement or book account they may be evidenced, or whether evidenced by any instrument, agreement or book account, including, without limitation, all loans (including any loan by renewal or extension), all indebtedness, all undertakings to take or refrain from taking any action, and all interest, taxes, fees, charges, expenses and attorneys' fees chargeable to Grantor or incurred by Secured Party under this Agreement, the Purchase Agreement or any other document or instrument delivered in connection therewith.

To the extent not defined in this Section 1 or in the Purchase Agreement, unless the context otherwise requires, all other terms contained in this Agreement shall have the meanings attributed to them by Article 9 of the Uniform Commercial Code in force in the State of Kansas, as of the Date of Agreement, to the extent the same are used or defined therein.

## 2. REPRESENTATIONS AND WARRANTIES

Grantor represents and warrants to Secured Party, and such representations and warranties shall be continuing representations and warranties so long as any of the Obligations shall remain outstanding, as follows:

2.1 Grantor has been duly incorporated and organized and is existing as a corporation in good standing under the laws of its jurisdiction of incorporation and is duly qualified and in good standing as a foreign corporation in those jurisdictions where the conduct of its business or the ownership of its properties requires qualification; Grantor has the power and authority to own the Collateral, to enter into and perform this Agreement, and any other document or instrument delivered in connection herewith and to incur the Obligations.

2.2 The execution and performance of this Agreement and any other document or instrument delivered in connection herewith will not result in the creation or imposition of any lien or encumbrance upon any of the Collateral (immediately, with the passage of time, or with the giving of notice and the passage of time) except as expressly contemplated by this Agreement.

2.3 This Agreement and any document or instrument delivered in connection herewith and the transactions contemplated hereby or thereby have been duly authorized, and/or executed and delivered, as appropriate; and this Agreement and such other documents and instruments constitute valid and legally binding obligations of Grantor and are enforceable against Grantor in accordance with their respective terms.

2.4 Grantor is the owner of the Collateral, free and clear of all security interests, encumbrances or liens, except liens which arise by operation of law with respect to obligations of Grantor, which are not yet due and payable; and Grantor will defend the Collateral against all claims and demands of all persons at any time claiming an interest therein.

2.5 Grantor has filed all federal, state and local tax returns and other reports it is required to file and has paid or made adequate provision for payment of all such taxes, assessments and other governmental charges.

2.6 None of the Collateral is affixed to real estate except goods identified herein as fixtures or as an accession to other goods, nor will Collateral acquired hereafter be affixed to real estate or an accession to other goods when acquired, unless Grantor has obtained Secured Party's consent and has furnished Secured Party the consents or disclaimers necessary to make this security interest valid against persons holding interest in the real estate or other goods.

2.7 No representation, warranty or statement by Grantor contained herein or in any certificate or other document furnished or to be furnished by Grantor pursuant hereto contains or at the time of delivery shall contain any untrue statement of material fact, or omits, or shall omit at the time of delivery, to state a material fact necessary to make it not misleading.

### 3. SPECIFIC REPRESENTATIONS, WARRANTIES AND COVENANTS WITH RESPECT TO COLLATERAL

With respect to the Collateral, Grantor hereby represents and warrants and covenants with Secured Party as follows:

3.1 The address of the chief executive office and chief place of business of Grantor is Grantor's Address and Grantor has no other place of business;

3.2 The Equipment is in the possession of Grantor; and Grantor shall provide Secured Party upon reasonable request with disclaimers and waivers necessary to make the security interest in the Equipment valid against Grantor and any other persons;

3.3 Grantor shall keep and maintain all Equipment in good operating condition and repair, shall comply with all terms and conditions of any lease or purchase agreement relating thereto, make all necessary repairs thereto and replacement of parts thereof so that the value and operating efficiency thereof shall at all times be maintained and preserved; and Grantor shall keep complete and accurate books and records with respect to the Equipment, including maintenance records;

3.4 Grantor shall cause all of the Collateral that is of a character usually insured by companies similarly situated and operating like properties in like locations to be insured against loss or damage from such hazards and risks as are usually insured against by companies similarly situated and operating like properties in like locations, to a reasonable amount by reputable insurance companies;

3.5 Grantor shall deliver to Secured Party at Secured Party's request, any and all evidence of ownership of, and certificates of title to, any and all of the Equipment;

3.6 Grantor shall not, without the prior written consent of Secured Party, sell, offer to sell, lease or in any other manner dispose of the Equipment or terminate any lease agreement relating thereto; and

3.7 Grantor shall notify Secured Party no later than thirty (30) days prior to any change of any location where the Equipment is or may be kept.

#### 4. GRANT OF SECURITY INTEREST

To secure the payment and performance of the Obligations, Grantor hereby pledges, assigns and transfers to Secured Party, and grants to Secured Party a continuing first priority security interest in and to all of the Collateral.

#### 5. GENERAL COVENANTS

5.1 Grantor covenants and agrees that so long as any of the Obligations remain outstanding Grantor shall not mortgage, pledge, grant or permit to exist a security interest in, or lien or encumbrance upon, any of the Collateral except in favor of Secured Party.

5.2 Grantor shall permit Secured Party, through its authorized attorneys, accountants and representatives, to inspect and examine the Collateral and the books, accounts, records, ledgers and assets of every kind and description of Grantor with respect thereto at all reasonable times.

5.3 Grantor shall promptly notify Secured Party of any condition or event which constitutes, or would constitute with the passage of time or giving of notice or both, an Event of Default under this Agreement, and promptly inform Secured Party of any events or change in the financial condition of Grantor which individually or cumulatively when viewed in light of prior financial statements, may result in a material adverse change in the financial condition of Grantor.

5.4 Grantor shall maintain in good standing its corporate existence in its jurisdiction of incorporation and its status as a foreign corporation qualified to do business in those jurisdictions where Grantor is required to be qualified.

5.5 Grantor shall pay or deposit promptly when due all sales, use, excise, personal property, income, withholding, corporate, franchise and other taxes, assessments and governmental charges upon or relating to its ownership or use of any of the Collateral.

5.6 Guarantor shall not take any action or omit to take any action which would impair the Collateral or the rights of the Secured Party hereunder.

5.7 Grantor shall pay all costs necessary to preserve and enforce this security interest and preserve the Collateral, including but not limited to insurance premiums, repairs, reasonable attorney's fees and legal expenses, rent, storage costs, and expenses of sale.

5.8 Grantor shall, at any time and from time to time upon written request of Secured Party, execute and deliver to Secured Party, in form and substance reasonably satisfactory to Secured Party, such documents as Secured Party shall deem necessary or desirable to perfect or maintain perfected the security interest of Secured Party in the Collateral or which may be necessary to comply with the provisions of the law of the State of Kansas or the law of any other jurisdiction in which Grantor may then be conducting business or in which any of the Collateral may be located.

## 6. EVENTS OF DEFAULT AND ACCELERATION

6.1 The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

6.1.1 Default in the payment of any principal, interest or other charges in respect to any of the Obligations as and when due;

6.1.2 Default in the observance or performance of any covenant or agreement of Grantor herein set forth or set forth in the Purchase Agreement or any other agreement, note or instrument heretofore, now or hereafter executed by Grantor in favor of Secured Party or the occurrence of any



other event of default under the Purchase Agreement or any such other agreement, note or instrument;

6.1.3 Any representation, warranty, certificate, schedule or other information made or furnished by Grantor to Secured Party herein or pursuant hereto is or shall be untrue or materially misleading;

6.1.4 Insolvency of Grantor; or the appointment of a creditor's committee for the business of Grantor; or an assignment by Grantor for the benefit of creditors; or the filing by Grantor of a petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors; or Grantor applies for or permits the appointment of a receiver or trustee for any or all of its property or assets or any such receiver or trustee shall have been appointed for any or all property or assets of Grantor; or any of the above actions or proceedings whatsoever are commenced by or against Grantor;

6.1.5 The filing or commencement of any proceeding by or against Grantor for dissolution or liquidation; or

6.1.6 Loss, theft, substantial damage, destruction, sale (except as authorized pursuant to this Agreement) or encumbrance to or of any of the Collateral, or any levy, attachment, or seizure thereof or thereon.

6.2 If any Event of Default shall occur, then or at any time thereafter, while such Event of Default shall continue, Secured Party may declare all Obligations to be due and payable, without notice, protest, presentment or demand, all of which are hereby expressly waived by Grantor.

## 7. RIGHTS AND REMEDIES

7.1 Secured Party shall have in addition to any other rights and remedies contained in this Agreement, and any other agreements, guarantees, notes, instruments and documents heretofore, now, or at any time or times hereafter executed by Grantor and delivered to Secured Party, all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the State of Kansas as of the Date of Agreement, all of which rights and remedies shall be cumulative, and non-exclusive, to the extent permitted by law.

7.2 Any notice given by Secured Party of a sale or other disposition or other intended action by Secured Party with respect to any of the Collateral, or otherwise made in accordance with the terms of this Agreement, at least ten (10) days prior to such proposed action, shall constitute fair and reasonable notice to Grantor of any such action. The net proceeds realized by Secured Party upon any such sale or other disposition, after deduction of the expenses of retaking, holding, preparing for and effecting such sale, shall be applied to the Obligations, and Secured Party shall be liable to Grantor for any surplus realized upon such sale or other disposition, and Grantor shall remain liable to Secured Party for any deficiency. The commencement of any action, legal or

equitable, shall not affect the security interest of Secured Party in the Collateral until the Obligations hereunder, or any judgment therefor, are fully paid.

## 8. GENERAL PROVISIONS

8.1 The failure of Secured Party at any time or times hereafter to require strict performance by Grantor of any of the provisions, warranties, terms and conditions contained in this Agreement or in any other agreement, guaranty, note, instrument or document now or at any time or times hereafter executed by Grantor and delivered to Secured Party shall not waive, affect or diminish any right of Secured Party at any time or times thereafter to demand strict performance thereof; and no rights of Secured Party hereunder shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers or employees, unless such waiver is contained in an instrument in writing signed by an officer of Secured Party and directed to Grantor specifying such waiver. No waiver by Secured Party of any of its rights shall operate as a waiver of any other of its rights or any of its rights on a future occasion.

8.2 Any demand or notice required or permitted to be given hereunder shall be deemed effective when hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, or by prepaid overnight delivery service (e.g., FedEx or Airborne) addressed to Secured Party at Secured Party's Address or to Grantor at Grantor's Address, as applicable, or to such other address as may be provided by the party to be notified.

8.3 This Agreement contains the entire understanding between the parties hereto with respect to the transactions contemplated herein and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto.

8.4 Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. Should any portion of this Agreement be declared invalid for any reason in any jurisdiction, such declaration shall have no effect upon the remaining portions of this Agreement. Furthermore the entirety of this Agreement shall continue in full force and effect in all other jurisdictions and said remaining portions of this Agreement shall continue in full force and effect in the subject jurisdiction as if this Agreement has been executed with the invalid portions thereof deleted.

8.5 In the event Secured Party seeks to take possession of any or all of the Collateral by court process, Grantor hereby irrevocably waives any bonds and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession, and waives any demand for possession prior to the commencement of any suit or action to recover with respect thereto.

8.6 Grantor is not now a party, nor has been named as a party, to any litigation now pending, or which Grantor is aware may be filed, which would impair Grantor's ability to execute, perform, or complete any of the terms and conditions hereunder; provided, further, that Grantor shall

provide notice to Secured Party of any action, claim, or suit, during the terms of the Obligations which names Grantor as a party.

8.7 The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, administrators, successors and assigns of Secured Party and Grantor, provided, however, Grantor may not assign any of its rights or delegate any of its Obligations hereunder without the prior written consent of Secured Party.

8.8 This Agreement is and shall be deemed to be a contract entered into and made pursuant to the laws of the State of Kansas and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said State; in the event that Secured Party brings any action hereunder in any state or federal court of record, Grantor consents to and confers personal jurisdiction over Grantor by such court or courts and agrees that service of process may be made upon Grantor by mailing a copy of the summons to Grantor at Grantor's Address; and in any action hereunder Grantor waives the right to demand a trial by jury.

8.9 Notwithstanding anything to the contrary herein or in any other agreement, instrument or document executed by the parties hereto, this Agreement shall at all times be subject to the rules and regulations of the FCC. Secured Party will not take action pursuant to this Agreement which would constitute or result in an assignment or a change of control of the FCC construction permits, licenses, or other authorizations to operate the Station now held by or to be issued to Grantor requiring the prior approval of the FCC without first obtaining such prior approval. Grantor agrees to take any action which Secured Party may reasonably request in order to obtain from the FCC such approval as may be necessary to enable Secured Party to exercise and enjoy the full rights and benefits granted to Secured Party by this Agreement, including the use of Grantor's best efforts to assist in obtaining the approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is required by law and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's and licensee's portions of any application or applications for consent to the assignment or transfer of control of any FCC construction permit, license or other authorization that may be necessary or appropriate under the FCC's Rules for approval of any sale or transfer of control of the Collateral or the Station pursuant to the exercise of Secured Party's rights and remedies hereunder. Grantor further consents to the assignment or transfer of control of any FCC construction permit, license, or other authorization to operate the Station to a receiver, trustee, or similar official or to any purchaser of the collateral pursuant to any public or private sale, judicial sale, foreclosure, or exercise of other remedies available to Secured Party as permitted by applicable law.

8.10 The parties acknowledge their intent that, upon the occurrence of an Event of Default, Secured Party shall receive, to the fullest extent permitted by applicable law and governmental policy (including, without limitation, the rules, regulations and policies of the FCC) all rights necessary or desirable to obtain, use or sell the Collateral, and to exercise all remedies available to it under this Agreement, the Purchase Agreement, the Uniform Commercial Code, or other applicable law. The parties further acknowledge and agree that, in the event of changes in law or governmental policy occurring subsequent to the date hereof that affect in any manner Secured

Party's rights of access to, or use or sale of, the Collateral, or the procedures necessary to enable Secured Party to obtain such rights of access, use or sale, Secured Party and Grantor shall amend this Agreement and/or the Purchase Agreement in such manner as Secured Party shall reasonably request, in order to provide Secured Party such rights to the greatest extent possible consistent with then-applicable law and governmental policy.

8.11 Upon payment in full by Grantor of the obligations, this Agreement shall terminate and the Secured Party shall execute and deliver to the Grantor termination statements with respect to the collateral.

8.12 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

8.13 The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO  
SECURITY AGREEMENT

ATTEST:

Grantor: F.Y.M. Broadcasting Corporation

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

By: \_\_\_\_\_  
Ronald V. Nutt, President

Secured Party: Newmark Communications, L.L.C.

By: PBN Enterprises, a California  
corporation, Manager

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

By: \_\_\_\_\_  
Philip B. Newmark, President

## **EXHIBIT "F"**

### **Form of Local Programming and Marketing Agreement**

## EXHIBIT "F"

### LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement (this "Agreement") is made as of August 22, 2003, by and between Newmark Communications, L.L.C., a Kansas limited liability company ("Programmer"), and River City Broadcasters, Inc., f/k/a River City Broadcasting Corporation, a Kansas corporation ("Licensee").

#### Recitals

A. Licensee holds the authorizations issued by the Federal Communications Commission (the "FCC") with respect to low power television broadcast station KSMI-LP (the "Station"), and desires to sell to Programmer airtime for the broadcast on the Station of programs produced by Programmer.

B. Programmer has available television programs that it desires to have broadcast on Station and therefore desires to purchase airtime from Licensee for the broadcast of such programs, and Licensee has agreed to make available to Programmer airtime on the Station and accept for broadcast the programs of Programmer on the terms and conditions set forth in this Agreement.

C. Programmer and Licensee are parties to an Asset Purchase Agreement (the "APA") dated as of the date hereof with respect to the Station.

#### Agreement

Now, therefore, in consideration of the foregoing premises, the mutual covenants contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Term. The term of this Agreement (the "Term") will begin on the date above first written (the "Commencement Date"), and will continue until the date six (6) months after the date hereof, unless extended or earlier terminated in accordance with the terms of this Agreement. Programmer may extend the Term for one additional three (3) month period upon written notice to Licensee given at least thirty (30) days prior to the expiration of the initial Term.

2. Programmer's Purchase of Airtime and Provision of Programming. Programmer hereby purchases from Licensee all airtime on the Station during the Term on the terms specified herein, and shall transmit to Licensee programming that it produces or owns (the "Program" or "Programs") for broadcast on the Station twenty-four (24) hours per day, seven (7) days per week (the "Broadcasting Period").

3. Broadcasting Obligations. In consideration for the payments to be made by Programmer hereunder, Licensee shall broadcast the Programs delivered by Programmer during the Broadcasting Period, subject to the provisions of Section 6 below.

4. Advertising Revenue. Programmer will be exclusively responsible for the sale of advertising time on the Station and for the collection of accounts receivable arising from its sale of advertising for the hours during which it is responsible for programming the Station. Programmer shall be entitled to all revenues attributable to commercial advertisements sold by Licensee or Programmer, all network revenue, and all other advertising time revenue received with respect to broadcast of commercial advertisements during the Term. At its election, Programmer may sell advertising on the Station in combination with advertising on Programmer's other stations, provided that advertisers will remain able to purchase advertising only on the Station if they so desire. All contracts for advertising on the Station which may be entered into by Programmer shall terminate upon the termination of this Agreement.

5. Payments for Broadcasting. For the broadcast of the Programs, for every month beginning with the Commencement Date and continuing through the Term, Programmer shall pay the Station expenses described in Section 10 below.

6. Operation, Ownership and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Licensee remains the licensee of the Station, it will have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term. Licensee will bear the responsibility for the Station's 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 retain ultimate control over the policies, finances, programming and operations of the Station. Licensee reserves the right to refuse to broadcast any Program which does not meet the requirements of the rules and policies of the FCC or the regulations and restrictions set forth in Section 8 below. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, Licensee shall broadcast substitute programming of equal or greater value to Programmer. Licensee reserves the right to delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. Programmer will immediately serve Licensee with notice and a copy of any letters of complaint it receives concerning any Program for Licensee review and including in its public inspection file, as necessary to comply with the rules and policies of the FCC. Licensee will immediately serve Programmer with notice and a copy of any letters of complaint it receives concerning any Program.

7. Maintenance of Signal. Licensee shall maintain the operating power of the Station at the maximum level authorized by the FCC for the Station throughout the Term and shall repair and maintain the Station's tower and transmitter site and equipment in good working order.



8. Programs.

8.1 Production of the Programs. Licensee acknowledges that it is familiar with the type of programming Programmer currently produces and has determined that the broadcast of such programming on the Station would serve the public interest. Programmer agrees that the contents of the Programs it transmits to Licensee shall conform to all FCC rules, regulations and policies. Licensee acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of the Programs, and all parts thereof, and the right to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Programmer. Programmer is hereby authorized to grant retransmission consent on behalf of the Station to any cable system authorized by Programmer to carry the Programs. Licensee shall assist Programmer in its efforts to have the Station carried on a cable system including, without limitation, granting Licensee's consent to such carriage.

8.2 Political Time. Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with such provisions. To the extent that Licensee believes necessary, in its sole discretion, Programmer shall release advertising availabilities to Licensee during the Broadcasting Period to permit Licensee to comply with the political broadcast rules of the FCC; provided, however, that revenues received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

9. Call Letters. During the Term, Licensee shall cooperate with Programmer to secure a standard four letter call sign for the Station. Programmer shall include in the Programs for the Station announcements in form reasonably satisfactory to the Licensee in accordance with the FCC's rules and policies to identify the Station, as well as any other announcements required by the FCC. Programmer is expressly authorized to use the Station's call letters, trademarks, service marks, trade names, and similar intangible rights in the Programs, in promotional materials, and in any media used in connection with the Programs.

10. Expenses. Programmer will pay directly all Station expenses that are permitted by the FCC's rules and policies to be paid by Programmer as described in the Services Agreement attached hereto as Exhibit A. Licensee will pay all Station expenses that are required by the FCC's rules and policies to be paid by Licensee. Programmer will reimburse Licensee for its expenses incurred in connection with the operation of the Station; provided that in no event shall Programmer be responsible for Licensee's general and administrative expenses, overhead, income taxes or debt service. Programmer shall be solely responsible for all expenses attributable to the origination and/or delivery of the Programs by Programmer to Licensee.

11. Events of Default; Termination.

11.1 Programmer's Events of Default. The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement:

- (a) Programmer fails to make timely payments in full as provided for in Section 5 of this Agreement;
- (b) Programmer fails to observe or perform any other covenant, condition or obligation contained in this Agreement; or
- (c) Breach or violation by Programmer of any representation or warranty made by it under this Agreement.

11.2 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 any covenant, condition or obligation to be performed by Licensee which is contained in this Agreement; or
- (b) Breach or violation by Licensee of any representation or warranty made by it under this Agreement.

11.3 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(s) of Default and such Event(s) of Default remain(s) uncured.

11.4 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 11.3, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

11.5 Cooperation Upon Termination. If this Agreement shall be terminated, for whatever 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.

11.6 Termination of APA. This Agreement shall terminate immediately and automatically upon the termination or the Closing under the APA.

12. Mutual Representations Concerning This Agreement. Licensee represents and warrants as follows: (a) Licensee is in good standing in the jurisdiction of its organization; (b) Licensee has the company power and authority to enter into and perform this Agreement; (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary company action of Licensee; and (d) the execution, delivery and performance of this Agreement by

Licensee does not conflict with any other agreement to which Licensee is a party. Programmer represents and warrants as follows; (a) Programmer is in good standing in the jurisdiction of its organization; (b) Programmer has the company power and authority to enter into and perform this Agreement; (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary company action of Programmer and (d) the execution, delivery and performance of this Agreement by Programmer does not conflict with any other agreement to which Programmer is a party.

13. Indemnification.

13.1 Indemnification by Programmer. Programmer shall indemnify, defend, and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages, and expenses (including reasonable attorneys' fees and other expenses incidental thereto) of every kind, nature, and description, including but not limited to those relating to copyright infringement, libel, slander, defamation or invasion of privacy, arising out of: (a) Programmer's broadcasts of the Programs; (b) any misrepresentation or breach of any warranty of Programmer; or (c) any breach of any covenant, agreement, or obligation of Programmer.

13.2 Indemnification by Licensee. Licensee shall indemnify, defend, and hold harmless Programmer from and against any and all claims, losses, costs, liabilities, damages, and expenses (including reasonable attorneys' fees and other expenses incidental thereto) of every kind, nature, and description, including but not limited to those relating to copyright infringement, libel, slander, defamation or invasion of privacy, arising out of: (a) Licensee's broadcast of programs on its own behalf, other than the Programs; (b) any misrepresentation or breach of any warranty of Licensee; or (c) any breach of any covenant of Licensee.

14. Modification and Waiver; Remedies Cumulative. No modification of an provision of this Agreement will be effective unless in writing and signed by both parties. No failure or delay on the part of Programmer 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.

15. Assignment; No Third Party Rights. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of the other party, which consent may not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted assigns, 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.

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

17. Counterparts. This Agreement may be signed in duplicate counterparts, each of which will be deemed an original and both of which when taken together will constitute one and the same instrument.

18. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Programmer: Newmark Communications, L.L.C.  
ATTN: Philip B. Newmark  
400 South Victory Boulevard, Suite 300  
Burbank, California 91502  
Facsimile: 818-955-7727

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

Brown, Dengler, Good & Rider, L.C.  
ATTN: Paul F. Good  
200 East First Street, Suite 200  
Wichita, Kansas 67202  
Facsimile: 316-265-0046

If to Licensee: River City Broadcasters, Inc.  
ATTN: Ronald V. Nutt  
100 South Market  
Wichita, Kansas 67202  
Facsimile: 316-269-2555

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

Klenda, Mitchell, Austerman & Zuercher, L.L.C.  
ATTN: Scott A. Eads  
1600 Epic Center  
301 North Main  
Wichita, Kansas 67202  
Facsimile: 316-267-0333

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

19. Entire Agreement. This 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.

20. Relationship of Parties. Neither the Programmer 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.

21. Force Majeure. The failure of either party hereto to comply with its obligations under this Agreement due to acts of God, strikes or threats thereof or a force majeure or due to causes beyond such party's control, will not constitute an Event of Default under Section 11 of this Agreement and neither party will be liable to the other party therefor, except that any resulting failure of Licensee to broadcast the Programs for fifteen (15) or more consecutive days shall entitle Programmer to terminate this Agreement by providing Licensee notice of Programmer's decision to terminate. Programmer and Licensee each agrees to exercise its best efforts to remedy any such conditions as soon as practicable.

22. 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.

23. Headings. The headings of the various provisions of this Agreement are included for convenience only, and no such heading shall in any way affect or alter the meaning of any provision.

24. Successors and Assigns. Subject to the provisions of Section 15 above, this Agreement shall be binding and inure to the benefit of Licensee's successors and assigns. This Agreement shall also be binding upon and inure to the benefit of Programmer and its successors and assigns.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO  
LOCAL PROGRAMMING AND MARKETING AGREEMENT

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

PROGRAMMER:

NEWMARK COMMUNICATIONS, L.L.C.

By: PBN ENTERPRISES, a California  
corporation, Manager

By: \_\_\_\_\_  
Philip B. Newmark, President

LICENSEE:

RIVER CITY BROADCASTERS, INC.

By: \_\_\_\_\_  
Ronald V. Nutt, President

**EXHIBIT "G"**

**Form of Services Agreement**

## **EXHIBIT "G"**

### **SERVICES AGREEMENT**

THIS **SERVICES AGREEMENT** ("Agreement") is made and entered into as of this 22nd day of August, 2003,

**BY AND BETWEEN**

**F.Y.M. BROADCASTING CORPORATION,**  
a Kansas corporation,  
hereinafter referred to as

**"F.Y.M."**

**AND**

**NEWMARK COMMUNICATIONS, L.L.C.,**  
a Kansas limited liability company,  
hereinafter referred to as

**"Newmark"**

**WHEREAS**, simultaneously herewith, F.Y.M., Newmark and River City Broadcasters, Inc., ("River City") entered into that certain Asset Purchase Agreement whereby F.Y.M. agreed to sell certain equipment to Newmark and River City transfer an FCC license to Newmark (the "Purchase Agreement");

**WHEREAS**, the license transfer under the Purchase Agreement is contingent upon the approval by the FCC; and

**WHEREAS**, as additional consideration to the Purchase Agreement, F.Y.M. has agreed to provide certain services to Newmark in connection with the use of the License as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Services.** F.Y.M. agrees to provide Newmark the following services:

(a) **Master Control Services.**

(i) Master control services utilizing F.Y.M.'s technicians using F.Y.M.'s equipment. Master control services shall include the monitoring of signal, inserting of commercial within signal, and maintaining and producing logs for commercials aired. Programming control and routing of signals shall also be maintained.



- (ii) The monitoring and preventive maintenance of transmitter at tower site;
- (iii) Maintaining commercial traffic scheduling and production of preliminary reports of scheduled commercial run times and affidavit of performance;
- (iv) Equipment for acquisition of Aztec America satellite programming; and
- (v) An STL microwave to deliver signal to tower; provided, however, should fiber optic cable be installed and should Newmark desire to utilize any of the fibers, expenses would be on a basis of how much capacity Newmark desires.

(b) Production Services.

- (i) The technical production of an in-studio, weekday (5 shows per week), 30-minute news format show, including equipment and director, audio and camera persons during business hours; and
- (ii) Use of an existing non-linear commercial editor for commercial production, provided that Newmark provides its own storage medium.

Notwithstanding anything to the contrary, the following items shall not be included in this Agreement, unless the parties agree in writing otherwise and set forth the additional fee to be charged under this Agreement:

- (aa) F.Y.M. shall not be responsible for the taking of any feeds for additional programming or downloading any satellite or infomercial programming;
- (bb) Moving, installation or making of extensive repairs to transmitter, except when hourly rate is charged for service personnel;
- (cc) F.Y.M. shall not be responsible for any sets, props or backgrounds desired, remote news gathering, news data, on-air personnel or equipment used on remote news gathering such as engineering, camera or communications means.
- (dd) Any production outside of studio;
- (ee) Telephone service, equipment or internet service;
- (ff) Office equipment;
- (gg) Any commercial production;

- (hh) Sales, collections, promotion or signage;
- (ii) Lighting fixtures, but Newmark shall be responsible and provide all light bulbs;
- (jj) Computers; or
- (kk) The production of any additional shows or late night shows or remotes or location shoots.

2. **Term and Termination.** This Agreement shall commence on the date first stated above and shall continue until the date one year from the date hereof and thereafter until either party may terminate this Agreement by giving at least sixty (60) days prior written notice to the other party (the "Term"). Newmark shall also have the right to terminate either the Master Control Services or the Production Services at anytime upon providing F.Y.M. with at least sixty (60) days prior notice. Notwithstanding anything to the contrary, in the event the Purchase Agreement is terminated for any reason, then this Agreement shall be terminated upon the same date as the termination of the Purchase Agreement.

3. **Fees.** During the term of this Agreement, Newmark shall remit to F.Y.M. a monthly service fee of Five Thousand Five Hundred Dollars (\$5,500.00) for both the Master Control Services and the Production Services (collectively, the "Monthly Fee"); provided, however, no Monthly Fee shall be due and payable from the date of this Agreement through December 31, 2003. In the event Newmark shall terminate either the Master Control Services or the Production Services, then the monthly service fee for the remaining service of either Master Control Services or the Production Services shall be Four Thousand Dollars (\$4,000.00). The Monthly Fee shall be payable in advance and the first payment shall be payable on or before January 1, 2004, and on the first day of each month thereafter. All Monthly Fees that are not timely paid shall incur a penalty for late payment in the amount of five percent (5.0%) of the amount due and any outstanding balance owing to F.Y.M. hereunder shall incur interest at the rate of fifteen percent (15.0%) per annum.

4. **Default.** If Newmark shall default in the payment or performance of any of its obligations under this Agreement, and such default shall continue for a period of ten (10) days after written notice thereof has been given to Newmark by F.Y.M., then and in such event, F.Y.M. shall have the right to exercise any one (1) or more of the following remedies:

- (a) F.Y.M. may declare the entire unpaid Monthly Fees immediately due and payable; and the parties hereby acknowledge and agree that said damages are a reasonable estimate of F.Y.M.'s future loss caused by Newmark's default and are liquidated damages and not a penalty for Newmark's breach; and
- (b) F.Y.M. may pursue any other remedy or remedies, which might be available to F.Y.M. at law or in equity.

5. **Assignment.** F.Y.M. may assign its interest, or any part of its interest, in this Agreement. Without the prior written consent of F.Y.M., Newmark shall not assign, transfer, or pledge this Agreement.

6. **Scope of Agreement.** This Agreement shall inure to the benefit of, and be binding upon and enforceable against, the heirs, legal representatives, successors and assigns of the parties.

7. **Amendments.** This Agreement may not be modified or amended except by an instrument in writing executed by the party against whom enforcement of any such modification or amendment is sought.

8. **Counterparts.** This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures of the parties hereto shall be binding.

9. **Notices.** All notices hereunder shall be deemed to be fully given if in writing and delivered personally or sent by registered mail or certified mail, return receipt requested, to the parties at the following addresses, or at such other addresses or shall be specified by like notice:

If to F.Y.M.:	F.Y.M. Broadcasting Corporation 100 South Market Wichita, Kansas 67202 Attn: Ronald V. Nutt
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If to Newmark:	Newmark Communications, L.L.C. 400 South Victory Boulevard, Suite 300 Burbank, California 91502 Attn: Philip B. Newmark, Manager
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All non-formal notices and communications to and by Newmark shall be by Mr. Jorge Rossi, TV Orlando 21, 1000 Universal Studios Plaza, Building 22a, Suite 267, Orlando, Florida 32819, telephone number (407) 224-6937, fax number (407) 224-5428, email address [jrossi@tv21orlando.com](mailto:jrossi@tv21orlando.com), until Newmark gives written notice to F.Y.M. otherwise.

10. **Covenants.** F.Y.M. shall and does hereby covenant and agree that:

(a) **Equipment.** F.Y.M. possesses and will continue to possess and provide all equipment in good working condition necessary or convenient to provide the Master Control Services and Production Services provided for in this Agreement.

(b) **Personnel.** F.Y.M. will provide competent and qualified personnel necessary to provide all Master Control Services and Production Services provided for in this Agreement.

11. **Governing Law.** In all respects, including all matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of Kansas applicable to contracts made and performed in such State without regard to Kansas conflict of laws principles.

12. **Limitation of Liability.** Neither party to this Agreement shall be liable for, nor shall the measure of damages include, any indirect, incidental, special or consequential damages or any amounts for loss of income, profits or savings, arising out of or relating to its performance or failure to perform under this Agreement, even if the party against which liability is to be imposed has been advised of the possibility of such damages, loss of income, profits or savings.

13. **Independent Status.** It is understood that F.Y.M. is and shall be deemed to be an independent contractor in the performance of each and every part of this Agreement and that nothing contained in this Agreement is intended to make F.Y.M. a general or special agent, joint venturer, partner or employee of Newmark for any purpose.

14. **Attorney's Fees.** In case suit shall be brought because of the breach of any agreement or obligation contained herein on the part of either party to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred therefor, including court costs and reasonable attorney's fees.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO  
SERVICES AGREEMENT

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Services Agreement as of the day and year first above written.

**F.Y.M. BROADCASTING CORPORATION**

By: \_\_\_\_\_  
Ronald V. Nutt, President

NEWMARK COMMUNICATIONS, L.L.C.  
By: PBN ENTERPRISES, a California  
corporation, Manager

By: \_\_\_\_\_  
Philip B. Newmark, President

**EXHIBIT "H"**

**Form of Bill of Sale**

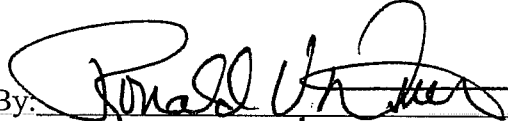
## BILL OF SALE

***FOR VALUE RECEIVED***, the receipt and sufficiency of which is hereby acknowledged, F.Y.M BROADCASTING CORPORATION, a Kansas corporation ("Transferor"), does hereby bargain, sell, assign, transfer and convey unto NEWMARK COMMUNICATIONS, LLC, a Kansas limited liability company ("Transferee"), the broadcasting equipment listed on Schedule "A" attached hereto. The items set forth on Schedule "A" may sometimes be collectively referred to in this Bill of Sale as the "Equipment."

Transferor hereby represents and warrants to the Transferee that Transferor has good and marketable title to the Equipment, free and clear of all liens, encumbrances, security interests, rights and claims of others.

**IN WITNESS WHEREOF**, Transferor has hereunto set its hand as of the 22<sup>nd</sup> day of August, 2003, by its duly authorized representative.

F.Y.M. BROADCASTING CORPORATION

By:   
Ronald V. Nutt, President

## **EXHIBIT A**

1. 1 KW Acrodyne transmitter  
Class TLU-IKACT  
Model # 24104853-503  
Serial #2477  
FCC ID #BQM82K22802202-3
2. Bogner Model BOH16 Bay Antenna