

CASCADE BROADCASTING GROUP, L.L.C.

THIRD AMENDED LIMITED LIABILITY COMPANY AGREEMENT

This Third Amended Limited Liability Company Agreement of CASCADE BROADCASTING GROUP, L.L.C. (the "Company") is made as of June 12, 2003 by and among **National Television Investments, L.L.C.** (f/k/a Cascade Communications Ventures, LLC), a California limited liability company ("National"); **Levine Investments Limited Partnership**, an Arizona limited partnership ("Levine"); that certain **Trust created on May 2, 2003 by Agreement between Gary G. Marshall as Grantor and Gary G. Marshall and Karen Marshall as Trustees**, of Kennett Square, Pennsylvania ("Marshall Trust"); **Kenneth A. Karaszkievicz**, of Boothwyn, Pennsylvania ("Karaszkievicz"); **Kunz Family, L.L.C.**, a California limited liability company ("Kunz Family, L.L.C."); **K & A Family, L.L.C.** (f/k/a Brush Family, L.L.C.), a California limited liability company ("K & A Family, L.L.C."); **Brandywine Communications, Inc.**, a Delaware corporation ("BCI"); **Ronald J. Bergamo**, of Paradise Valley, Arizona ("Bergamo"); **Chester R. Bacon**, of Scottsdale, Arizona ("Bacon"); **Gene Steinberg**, of Tucson, Arizona (Steinberg"); **Terrance J. Conway**, of Tulsa, Oklahoma ("Conway"); **Michael J. Barich**, of Louisville, Kentucky ("Barich"); **Douglas V. McClure**, of Tucson, Arizona ("McClure"); **William Bradley**, of Louisville, Kentucky ("Bradley"); **Winnie Sell** of Prospect, Kentucky ("Sell"); and **Jackie Anderson**, of Tucson, Arizona ("Anderson") as Members or Economic Owners of the Company (said distinction set forth on Schedule A attached hereto). Each of National, Levine, Karaszkievicz, Kunz Family, L.L.C., K & A Family, L.L.C., BCI, Bergamo, Bacon, Steinberg, Conway, Barich, McClure, Bradley, Sell and Anderson are sometimes hereinafter individually referred to as a "Member" and collectively as the "Members."

WITNESSETH:

WHEREAS, the Members have formed a limited liability company pursuant to the Nevada Limited Liability Company Act, as amended from time to time (the "Nevada Act");

WHEREAS, the Members have caused the filing of Articles of Organization of the Company (the "Certificate") with the office of the Secretary of State of Nevada;

WHEREAS, the Members of Tucson Communications, L.L.C., Tulsa Communications, L.L.C. and Louisville Communications, L.L.C. have agreed to contribute their Common Units and Preferred Units in their respective limited liability companies for Units of the Company;

WHEREAS, the Members wish to set forth the terms on which the Company is organized and operated, and the Economic Owners wish to express their acceptance to said terms.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and intending to be legally bound, the Members and Economic Owners hereby agree as follows:

ARTICLE 1 Certain Defined Terms

The following defined terms used in this Agreement shall have the meanings specified in this Article 1.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Taxable Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amount which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treas. Reg. §§1.704-1(b)(2)(ii)(c), 1.704-2(g)(1), and 1.704-2(i), and

(ii) Debit to such Capital Account the items described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Affiliate" of, or a person **"Affiliated"** with, a specified Member, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Member specified.

"Aggregate Common Unit Contributions" means, as of any date, the sum of each Member's Common Unit Contribution on that date.

"Aggregate Louisville Preferred Unit Contributions" means, as of any date, the sum of each Member's Louisville Preferred Unit Contributions on that date.

"Aggregate Tucson Preferred Unit Contributions" means, as of any date, the sum of each Member's Tucson Preferred Unit Contributions on that date.

"Aggregate Tulsa Preferred Unit Contributions" means, as of any date, the sum of each Member's Tulsa Preferred Unit Contribution on that date.

"Aggregate Unpaid Yield" means, as of any date, the sum of each Preferred Member's Unpaid Yield on that date.

"Aggregate Unreturned Capital" means, as of any date, the sum of each Member's Unreturned Capital on that date.

"Aggregate Yield" means, for any period, the sum of each Preferred Member's Yield for such period.

"Agreement" means this First Amended Limited Liability Company Agreement, as originally executed on the date hereof and as may be amended, modified, supplemented or restated from time to time, as the context requires.

"Approved Sale" has the meaning set forth in Section 7.2 hereof.

"Bankruptcy" means, with respect to a Person, (i) that such Person has (A) made an assignment for the benefit of creditors; (B) filed a voluntary petition in bankruptcy; (C) been adjudged bankrupt or insolvent, or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (D) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (E) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (ii) 90 days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (iii) 60 days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within 60 days after the expiration of such stay.

"Base Rate" means, on any date, a rate per annum equal to the rate of interest published or announced, from time to time, as the corporate base rate of Citibank, N.A. at its offices in New York, New York.

"Board" has the meaning set forth in Section 6.2 hereof.

"Book Value" means, with respect to any Company property, the Company's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treas. Reg. § 1.704-1(b)(2)(iv)(d)-(g).

"Budget" has the meaning set forth in Section 6.3 hereof.

"Capital Account" has the meaning set forth in Section 4.2 hereof.

"Capital Contribution" of a Member means the total amount of contributions such Member has made to the Company pursuant to Section 4.1 (including Common Unit Contributions and Preferred Unit Contributions by such Member) as of the date in question.

"Cause," for Members who are also employed by the Company, has the meaning set forth in a Member's written Management or Employment Agreement or, lacking such an agreement, under

the common law of the state where the Member is employed (provided, however, that in the event of termination of a Member's status as an officer or employee of the Company for Cause, such Member's Preferred Units and vested and nonforfeitable Common Units shall be subject to the provisions of Section 9.8(b) hereof (rather than Section 9.8(a) hereof)).

"Certificates" means certificates representing the Units issued in accordance with Section 4.9 hereof.

"Closing Date" means the date of this Agreement with respect to Louisville Common Units; January 6, 1999 with respect to Tulsa Common Units; and September 22, 1998 with respect to the Tucson Common Units.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor federal income tax code.

"Common Holder" means each record holder of any portion of a Common Unit.

"Common Member" means each Common Holder which is a Member.

"Common Unit" means a Unit representing a fractional part of the Total Unitholder Interests and having the rights and obligations specified with respect to Common Units or such other Units as may be issued from time to time pursuant to Section 4.1(c) and 4.6 and designated as Common Units. Common Units means the Common Units reflected on **Schedule A** to this Agreement that are issued to an executive of one of the three Stations. Any unissued Common Units may be issued by the Board of Directors to one or more executives of the Company. The Common Units set forth in the column entitled "Forfeitable" on **Schedule A** issued to any executive of the Stations (or any transferee thereof) are separately subject to forfeiture in varying amounts, in the event of the death, Total Disability, Resignation or termination of the executive as an officer or employee of the Company or any subsidiary thereof for Cause or any other executive to whom any Common Units may have been issued subject to the majority vote of the Board of Directors, in accordance with the following schedule:

<u>Date of Occurrence of Forfeiture Event</u>	<u>Percentage of Common Units Forfeited By Such Member</u>
Prior to First Anniversary of the Closing Date	100%
Between First and Second Anniversary of the Closing Date	70%
Between Second and Third Anniversary of the Closing Date	45%
Between Third and Fourth Anniversary of the Closing Date	25%
Between Fourth and Fifth Anniversary of the Closing Date	10%
Anytime after Fifth Anniversary of the Closing Date	0%

The Common Units which are forfeited, if any, shall be held by the Company until distributed to the new or remaining executives by the vote of a majority of the Board of Directors.

Subject to the foregoing, the unvested Common Units held by any other Common Unitholder shall immediately vest and no longer be subject to forfeiture (i) separately with respect to the Common Units held by a Common Unitholder in the event that any such Member is terminated as an officer or employee of the Company by the Company for any reason other than for Cause, or (ii) with respect to all of the Common Units then outstanding, in the event of a Sale of the Company.

"Common Unit Contributions" with respect to a Member means the total amount of cash or cash equivalents such Member has contributed to the Company in exchange for Common Units pursuant to Section 4.1, as of the date in question.

"Communications Act" means the Communications Act of 1934, as amended, or any successor thereto.

"Company Minimum Gain" has the meaning set forth in Treas. Reg. §1.704-2(d), substituting the term "Company" for the term "partnership" as the context requires.

"Consent" means the approval of a Person, given as provided in Section 11.3, to do the act or thing for which the approval is solicited, or the act of granting such approval, as the context may require.

"Convertible Senior Subordinated Debt" means any future loan(s) from a Member(s) or third party which are convertible into Preferred Units in the Company at the option of the holder of the Debt as may be amended, supplemented, modified or restated from time to time.

"Credit Agreements" means the loan agreements, existing as of the date of this Agreement, as such loan agreements may be amended, supplemented, modified or restated from time to time or any future loan agreements between a Member and the Company, including the Company's subsidiaries or affiliates.

"Cumulative Yield" with respect to each Preferred Member means, as of any date, the sum of the Yields for all Preferred Units held by such Preferred Member.

"Directors" has the meaning set forth in Section 6.1 hereof.

"Distributions" means any payment made by the Company to a Member, in his or her capacity as a Member, whether in cash or property; **provided** that none of the following shall be a Distribution: (i) any principal or interest payment in respect of the loans evidenced by the Credit Agreements, (ii) any recapitalization or exchange of securities of the Company, (iii) any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any

outstanding Units, (iv) any reimbursement pursuant to Section 7.3, and (v) any payments made to repurchase Units under Section 8.3 or pursuant to the Management Agreements.

"Economic Interest" means a Member's or Economic Owner's share of the Company's Net Profits, Net Losses and Distributions by the Company pursuant to this Agreement and the Nevada Act, but shall not include any right to participate in the management or affairs of the Company, including the right to vote in the election of Directors, vote on, consent to or otherwise participate in any decision of the Members or Directors, but shall have the right to receive information concerning the business or affairs of the Company, in each case except as expressly otherwise provided in this Agreement or required by the Nevada Act.

"Economic Owner" means any owner of an Economic Interest who is not a Member. No owner of an Economic Interest which is not a Member shall be deemed a "member" (as that term is used in the Nevada Act) of the Company. Economic Owners are noted on Schedule A attached hereto.

"Eligible Holders" has the meaning set forth in Section 8.3(c) hereof.

"Estimated Tax Amount" has the meaning set forth in Section 5.3(c) hereof.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, or any successor thereto.

"Fair Market Value" shall mean the fair market value as determined from time to time by the Board in its good faith judgment or, to the extent an appraisal process is provided for herein, pursuant to such appraisal process.

"Family Group" means, with respect to any Unitholder who is an individual or either of Greg Kunz or Dennis Brush (each of whom is a direct owner of National) (a "National Owner") (i) such Unitholder's or National Owner's spouse, former spouse and descendants (whether natural or adopted), parents and their descendants, brothers and sisters of the Unitholder's or National Owner's parents, descendants of such brothers and sisters and any spouse of the foregoing persons or (ii) the trustee, fiduciary or personal representative of such Unitholder or National Owner and any trust solely for the benefit of such Unitholder or National Owner and/or such Unitholder's or National Owner's spouse, their respective ancestors and/or descendants or (iii) any entity controlled by the Unitholder or National Owner.

"FASB" means the Financial Accounting Standards Board.

"FCC" means the Federal Communications Commission, or any successor thereto.

"FCC Approval" means approvals of the FCC shall have been obtained and shall be Final Orders.

"Final Order" means an action by the FCC as to which no action, request for stay, petition for rehearing or reconsideration, or appeal is pending, and as to which the time for filing any such request, petition or appeal and for the FCC to set aside the action on its own motion has expired.

"Fiscal Year" means the calendar year or, in the case of the first and the last fiscal years, the fraction thereof Commencing on the date on which the Company is formed under the Nevada Act or ending on the date on which the winding up of the Company is completed, as the case may be.

"Forfeitable" means those Common Units listed on **Schedule A** under the heading of "Forfeitable" subject to the forfeiture provisions in the definition of Common Units.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Gifting Person" means any Member or Economic Owner (in either case, who is a natural person) who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise except with respect to Bankruptcy) all or a part of its Membership Interest or Economic Interest.

"Incapacity" means as to any Person (i) the death, Total Disability or the adjudication of incompetence or insanity of such Person, or (ii) Bankruptcy or dissolution of such Person (except in any case in which a Member which is a partnership or limited liability company shall be reconstituted by its remaining partners or members, as applicable, following any liquidation or dissolution caused by the legal incapacity of one or more of its partners or members, as applicable) or termination (other than by merger or consolidation), as the case may be, of such Person.

"Indemnifying Member" has the meaning set forth in Section 7.4 hereof.

"Independent Third Party" means any Person who, immediately prior to the contemplated transaction, is not a Member or an Economic Owner, is not an Affiliate of any Member or Economic Owner and does not have any family member who is a Member or Economic Owner.

"Inflows" means the sum of Capital Contributions made pursuant to Sections 4.1(a), (b) and (c).

"Initial Public Offering" means an underwritten initial public offering of the Company's (or any successor entity of the Company) equity securities registered under the Securities Act.

"IRR" means the annual interest rate (compounded quarterly) which, when used to calculate the net present value (as of the Closing Date) of all Inflows and all Outflows made by or to the Preferred Members, causes such net present value to equal zero. The IRR shall be determined in good faith by the Company's independent auditors.

"Liquidating Distribution" means any Distribution pursuant to Section 10.2(c) hereof.

"Liquidator" means the Person responsible for winding up the Company pursuant to Section 10.2 hereof.

"Losses" means items of Company deduction and loss determined in accordance with Section 4.2(f).

"Major Action" has the meaning set forth in Section 6.4 hereof.

"Management Agreements" means the employment, management or advisory agreements, as applicable, between the Company and Members.

"Member" means National, Levine, Karaszkievicz, Kunz Family L.L.C., K & A Family L.L.C., BCI, Bergamo, Bacon, Steinberg, Conway, Barich, McClure, Bradley, Sell, Anderson and each of the Persons who may hereafter be admitted as Members in accordance with the terms of this Agreement and the Nevada Act. "Member" also means Marshall and BCI for purposes of Articles 4, 5, 8, 9 and 13 of this Agreement. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Economic Interest shall be added to and included in the Membership Interest of such Person (though the nature of such Membership Interest shall be changed by reason of such transfer), who shall have all the rights of a Member with respect to such purchased or otherwise acquired Economic Interest. The Members shall constitute the "members" (as that term is defined in the Nevada Act) of the Company.

"Member Nonrecourse Deduction" has the meaning set forth in Treas. Reg. § 1.704-20(i), substituting the term "Member" for the term "partner" as the context requires.

"Member Minimum Gain" with respect to each Member Nonrecourse Debt, means the amount of Company Minimum Gain (as determined according to Treas. Reg. § 1.704-2(d)(1)) that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability, determined in accordance with Treas. Reg. § 1.704-2(i)(3).

"Member Nonrecourse Debt" has the meaning set forth in Treas. Reg. § 1.704-2(b)(4), substituting the term "Company" for the term "partnership" and the term "Member" for the term "partner" as the context requires.

"Membership Interest" means a Member's interest in the Company, including such Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right, if any, to vote in the election of Directors, the right, if any, to vote on, consent to, or otherwise participate in any decision or action of or by the Members and the right to receive information concerning the business and affairs of the Company, in each case to the extent expressly provided in this Agreement or required by the Nevada Act.

"National" means National Television Investments, L.L.C., and its successors and assigns.

"National Owner" means Gregory W. Kunz or Dennis W. Brush.

"Net Appreciation" or **"Net Depreciation"** means the Fair Market Value or the Book Value, respectively, of a Company asset or Company assets, as the case may be, over the Book Value or Fair Market Value, respectively, of such asset or assets.

"Nonrecourse Deduction" has the meaning set forth in Treas. Reg. § 1.704-2(b) (substituting the term "Company" for the term "partnership" as the context requires).

"Ordinary Course of Business" means any action taken by a Person will be deemed to have been made in the "Ordinary Course of Business" if action is consistent with the past custom and practice of such Person and the ordinary practice and custom of entities of similar size that are engaged in substantially similar businesses and is taken in the normal scope and operations of such Person.

"Original Cost" of any Unit means the original price paid to the Company for such Unit, as adjusted for any subdivision, combination, recapitalization, reorganization or distribution affecting such Unit.

"Outflows" means all Distributions received by the Members (and their successors and assigns) under Articles 5 and 10 in respect of Units issued to the Members as shown on **Schedule A**.

"Percentage Interest" means, with respect to a Unitholder, a percentage equal to a fraction, (i) the numerator of which is the number of Preferred Units held by such Unitholder as set forth on **Schedule A** attached hereto, and (ii) the denominator of which is the aggregate number of Preferred Units held by all Unitholders as set forth on **Schedule A** attached hereto, provided, that no Common Units shall be included in the determination of Percentage interest.

"Person" means any individual, membership, corporation, unincorporated organization or association, limited liability company, trust or other entity.

"Preferred Holder" means each record holder of a Preferred Unit.

"Preferred Member" means each Preferred Holder which is a Member.

"Preferred Unit" means a Unit representing a fractional part of the Total Unitholder Interests and having the rights and obligations specified with respect to a Preferred Unit.

"Preferred Unit Contributions" with respect to a Member means the total amount of cash or cash equivalents such Member has contributed to the Company in exchange for Preferred Units pursuant to Section 4.1 as of the date in question.

"President" means the Person then serving in such office as elected by the Board pursuant Section 6.11 hereof. The President may or may not be a Member or an Affiliate of a Member.

"Profits" means items of Company income and gain determined in accordance with Section 4.2(f).

"Qualified Public Offering" means the sale by the Company of common equity securities of the Company (or any successor entity of the Company) in an underwritten public offering registered under the Securities Act, resulting in gross cash proceeds to the Company in an amount not less than **\$30,000,000**, and after such offering the equity securities sold in such offering are subject to being traded on the NASDAQ National Market or a national securities exchange.

"Quarterly Estimated Tax Amount" has the meaning set forth in Section 5.3(c) hereof.

"Regulatory Allocations" has the meaning set forth in Section 5.5(e) hereof.

"Required Interest" means the Members who hold Percentage Interests in excess of 60% in the aggregate.

"Residual Income" has the meaning set forth in Section 5.3(b) hereof.

"Resign" or **"Resignation"** means (i) the voluntary resignation of a Member as an officer or employee of the Company, or (ii) termination by a Member of the Management Agreement to which a Member is a party. Resignation shall not include any resignation of a Member, or any termination of the Management Agreement to which such Member is a party, occasioned by (i) any reduction in the amount of such Member's salary or other compensation without the consent of such Member, (ii) the election of a Member not to renew a Management Agreement upon expiration of any term thereof (so long as such Member does not also Resign from any office of the Company then held by such Member), or (iii) any significant reduction in a Member's title, duties or responsibilities without the consent of such Member.

"Restricted Securities" means (a) the securities issued hereunder, and (b) any securities issued with respect to the securities referred to in clause (a) above in connection with a conversion, combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Restricted Securities, such securities shall cease to be Restricted Securities when they have (i) been registered under the Securities Act pursuant to an effective registration statement thereunder and disposed of in accordance with the registration statement covering them, (ii) been sold pursuant to Rule 144 (or any similar provision then in force) under the Securities Act, or (iii) been otherwise transferred and new certificates (if such securities are certificated) for them not bearing the Securities Act legends set forth in Section 8.6 have been delivered by the Company. Whenever any particular securities cease to be Restricted Securities, the holder thereof shall be entitled to receive from the Company, without expense, in accordance with and subject to compliance with the provisions of Section 8.4, new securities of like tenor not bearing legends of the character set forth in Section 8.6.

"Sale of the Company" means the sale of the Company pursuant to which any Independent Third Party or affiliated group of Independent Third Parties acquires (whether by merger, consolidation or sale or transfer of the Company's equity) (i) substantially all of the equity of the Company or of all of the Company's direct and indirect Subsidiaries or (ii) all or substantially all of the Company's assets determined on a consolidated basis.

"Securities Act" means the Securities Act of 1933, as in effect from time to time.

"Selling Person" means any Member or Economic Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest, in each case to the extent permitted by and in accordance with the provisions of this Agreement. Notwithstanding the foregoing, a Member who pledges or hypothecates its Units/Membership Interest to a Person providing a credit facility to the Company pursuant to request by the Company shall not be a Selling Person.

"Senior Debt" means the loan(s) from a bank or other financial institution secured by each Station's assets and/or the Units in the Company, and all successor or subsequent loans secured by each Station's assets and/or the Units in the Company or its Affiliates.

"Shortfall Distributions" has the meaning set forth in Section 5.3(a) hereof.

"Station" means a television station and the related FCC license and broadcasting facilities.

"Sub Board" has the meaning set forth in Section 6.2(h) hereof.

"Subsidiary" means Tucson Communications, L.L.C., Tulsa Communications, L.L.C., Louisville Communications, L.L.C., and Tulsa Channel 19, L.L.C., and any other corporation, limited liability company, partnership, association or other business entity directly or indirectly owned in whole or in part by the Company or named Subsidiary and directly or indirectly controlled by the Company or a named Subsidiary.

"Subsidiary Sale" means the sale of (i) all of the equity of one of the Subsidiaries by the Company or one of its Subsidiaries or (ii) all of the assets of one or more Subsidiaries.

"Tax Amount" has the meaning set forth in Section 5.3(b) hereof.

"Tax Distribution" means any Distribution pursuant to Section 5.3(a) hereof.

"Tax Matters Member" means National or its successor as the Tax Matters Member, as designated pursuant to Section 13.4.

"Taxable Year" means the Company's accounting period for federal income tax purposes determined pursuant to Section 6.16.

"Terminated Member" has the meaning set forth in Section 7.6(a) hereof.

"30% IRR Amount" means, as of any date, the amount of Outflows to the Preferred Members sufficient to result in a 30% IRR based on the Inflows from the Preferred Members to date.

"35% IRR Amount" means, as of any date, the amount of Outflows to the Preferred Members sufficient to result in a 35% IRR based on the Inflows from the Preferred Members to date.

"Total Disability" means a physical or mental condition which, in the reasonable opinion of the Board, renders a Person unable or incompetent to perform such Person's duties as an officer or employee of the Company (or under any Management Agreement) for an aggregate period of 120 days.

"Total Unitholder Interests" means all outstanding Economic Interests of all Members and Economic Owners.

"Transfer" has the meaning set forth in Section 8.1 hereof.

"Treas. Reg." and **"Regulations"** means the income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Tulsa Channel 19" means Tulsa Channel 19, L.L.C., an Oklahoma limited liability company.

"20% IRR Amount" means, as of any date, the amount of Outflows to the Preferred Members sufficient to result in a 20% IRR based on the Inflows from the Preferred Members to date.

"25% IRR Amount" means, as of any date, the amount of Outflows to the preferred Members sufficient to result in a 25% IRR based on the Inflows from the Preferred Members to date.

"Unit" means a fractional part of the Total Unitholder Interests issued by the Company (whether a Preferred Unit, a Common Unit, or any other unit of the Company created hereafter in accordance with the terms of this Agreement); provided, that:

(i) each Common Unit of a class at any time outstanding shall represent the same fractional part of the Total Unitholder Interests of all Unitholders owning Common Units of such class as each other Common Unit of such class; and

(ii) each Preferred Unit of a series at any time outstanding shall represent the same fractional part of the Total Unitholder Interests of all Unitholders owning Preferred Units of such series as each other Preferred Unit of such series, **provided** further, that any class or series of Units issued shall have designations, preferences or special rights set forth in this Agreement and the

portion of the Total Unitholder interests represented by such class or series of Units shall be determined in accordance with such designations, preferences or special rights.

"Unitholder" means any Person in its capacity as owner of one or more Units as reflected on the Company's books and records.

"Unpaid Yield" means, with respect to each Preferred Member as of any date, an amount equal to the excess, if any, of (x) the aggregate Yield accrued on such Preferred Member's Preferred Units through such date, over (y) the aggregate amount of prior Distributions made by the Company pursuant to Section 5.2(a) or 5.3(a) with respect to such Preferred Units.

"Unreturned Capital" means, with respect to each Member, such Member's Tucson Preferred Unit Contribution, Tulsa Preferred Unit Contribution and/or Louisville Preferred Unit Contributions **reduced by all Distributions** made to such Member by the Company pursuant to or in accordance with Section 5.2(a)(ii).

"Voting Units" means the Tucson Preferred Units, the Tulsa Preferred Units, the Louisville Preferred Units and classes of Preferred Units issued hereafter.

"Yield" means, with respect to each Preferred Member, an amount, calculated on a daily basis (without daily compounding) at the rate of 10% per annum on (a) such Preferred Member's Unreturned Capital plus (b) such Preferred Members Unpaid Yield as determined at the close of the prior quarterly period. **The Company shall calculate Yield based on the date each Preferred Member made its Preferred Unit contribution to Tucson Communications, L.L.C., Tulsa Communications, L.L.C. and/or Louisville Communications, L.L.C., even if such dates are prior to the formation of Company. The dates of contribution are set forth on Schedule A.**

ARTICLE 2 Organization

2.1 Formation.

(a) The Members have caused the Certificate to be prepared, executed and filed with the Secretary of State of Nevada on December 20, 1999, in order to form the Company pursuant to the Nevada Act, all of which is hereby authorized and ratified in all respects. The Members hereby continue the existence of the Company under this Agreement and the Nevada Act. The rights, powers, duties, obligations and liabilities of the Members and all other Unitholders and Economic Owners shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member, Unitholder or Economic Owner are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Nevada Act, control.

(b) The name and mailing address of each Member of the Company shall be listed on **Schedule B** attached hereto. The President shall be required to update **Schedule A** and **Schedule B** from time to time as necessary to accurately reflect the information therein. Any reference in this Agreement to **Schedule A** or **Schedule B** shall be deemed to be a reference to **Schedule A** or **Schedule B** as amended and in effect from time to time.

(c) The President, as an authorized Person within the meaning of the Nevada Act, shall, at any time the President becomes aware that any statement in the Certificate was false when made, or that any matter described has changed making the Certificate false in any material respect, promptly execute, deliver and file any and all amendments thereto and restatements hereof in accordance with the Nevada Act.

2.2 **Name.** The name of the limited liability company formed by this Agreement and by the filing of the Certificate is Cascade Broadcasting Group, L.L.C. The business of the Company may be conducted upon compliance with all applicable laws under any other name designated by the Board.

2.3 **Place of Business and Office, Registered Agent.** The Company shall maintain a registered office in the State of Nevada at 202 South Minnesota Street, Carson City, Douglas County, Nevada 89703. The company shall maintain its principal executive office at the office set forth on **Schedule B** hereto. Upon giving notice to all Members, the Chairman may change the location of the Company's offices and may establish additional offices. The name and address of the Company's registered agent for service of process on the Company in the State of Nevada is National Registered Agents, Inc. of Nevada whose address is 202 South Minnesota Street, Carson City, Nevada 89703, or such other agent as the Chairman may from time to time designate. The Company records required to be maintained by Nevada Revised Statute §86.241 shall be maintained at the law offices of Witherspoon, Kelley, Davenport & Toole, P.S., 1100 U.S. Bank Building, 422 West Riverside Avenue, Spokane, Washington 99201-0302.

2.4 **Term.** The term of the Company shall commence, at the time of filing of the Certificate in the Office of the Secretary of State of Nevada, and shall continue in full force and effect until dissolution pursuant to the provisions of Article 10 hereof.

2.5 **Qualification in Other Jurisdictions.** The Company shall be qualified or registered under assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company owns property or transacts business to the extent, in the reasonable judgment of the Board, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property or transact business. The President, as an authorized person within the meaning of the Nevada Act, shall execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.6 **Admissions of Members.** The Persons listed as Members on **Schedule B** attached hereto who have executed this Agreement have been admitted as Members and deemed listed as such on the books and records of the Company, and have been issued their respective Membership Interests (including, without limitation, the respective Units that correspond to and are part of such Membership Interests as indicated on **Schedule A** attached hereto), effective as set forth on **Schedule A**. No consent or further action by any Person is required to effect such admission of Members or issuance of Membership Interests.

ARTICLE 3

Purpose and Powers of the Company

3.1 **Purpose.** The nature of the business or purposes to be conducted or promoted by the Company is to engage in any lawful act or activity for which limited liability companies may be organized under the Nevada Act. The Company may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the Company to possess any purpose or power, or to do any act or thing, forbidden by law to a limited liability company organized under the laws of the State of Nevada.

3.2 Powers of the Company.

(a) Subject to the provisions of this Agreement, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, convenient or incidental to or for the furtherance of the purposes set forth in Section 3.1, including, but not limited to the power:

(i) to conduct its business, carry on its operations and have and exercise the powers granted to a limited liability company by the Nevada Act in any state, territory, district or possession of the United States, or in any foreign country that may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(ii) to acquire by purchase, lease, contribution of property or otherwise, own, hold, operate, maintain, finance, refinance, improve, lease, sell, convey, mortgage, transfer, demolish or dispose of any real or personal property that may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(iii) to enter into, perform and carry out contracts of any kind, including, without limitation, contracts with any Member or any Affiliate thereof, or any agent of the Company necessary to, in connection with, convenient to, or incidental to the accomplishment of the purposes of the Company;

(iv) to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and

deal in and with shares or other interests in or obligations of domestic or foreign corporations, associations, general or limited partnerships (including, without limitation, the power to be admitted as a partner thereof and to exercise the rights and perform the duties created thereby), trusts, limited liability companies (including, without limitation, the power to be admitted as a member or appointed as a manager thereof and to exercise the rights and perform the duties created thereby) or individuals or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or of any instrumentality of any of them;

(v) to lend money for any proper purpose, to invest and reinvest its funds, and to take and hold real and personal property for the payment of funds so loaned or invested;

(vi) to sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name,

(vii) to appoint employees and agents of the Company, and define their duties and fix their compensation;

(viii) to indemnify any Person in accordance with the Nevada Act and to obtain any and all types of insurance;

(ix) to cease its activities and cancel its Certificate;

(x) to negotiate, enter into, renegotiate, extend, renew, terminate, modify, amend, waive, execute, acknowledge or take any other action with respect to any lease, contract or security agreement in respect of any assets of the Company;

(xi) to borrow money and issue evidences of indebtedness and guaranty indebtedness (whether of the Company or any of its Subsidiaries), and to secure the same by a mortgage, pledge or other lien on the assets of the Company;

(xii) to pay, collect, compromise, litigate, arbitrate or otherwise adjust or settle any and all other claims or demands of or against the Company or to hold such proceeds against the payment of contingent liabilities; and

(xiii) to make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of the Company.

(b) Subject to the provisions of this Agreement, the Company may merge with, or consolidate into, another limited liability company or other business entity.

(c) Notwithstanding anything herein to the contrary, the Company and its Subsidiaries in accordance with Article 6 are authorized to enter into, execute, deliver and perform

their respective obligations under the Credit Agreements (and any related security and other agreements contemplated thereby), the Securities Contribution and the Company and its Subsidiaries may take all actions necessary, proper or advisable to obtain any governmental, regulatory or third party approvals or consents (including, without limitation, all actions necessary, proper or advisable to comply with rules and regulations of the FCC).

ARTICLE 4

Capital Contributions and Capital Accounts

4.1 Capital Contributions.

(a) Each Member has contributed the amount of cash or cash equivalents on the date set forth on **Schedule A** attached hereto to the capital of the Company or its Subsidiaries in exchange for the number of Common Units and/or Preferred Units designated on such schedule.

(b) **Intentionally Left Blank.**

(c) If, in the future, the Company accepts additional capital from any Members in respect of either previously issued Units or additional Units, payments of such additional capital to the Company will be treated for all purposes of this Agreement as Inflows and payments to such Members in respect of such additional capital will be treated for all purposes of this Agreement as Outflows. At the time of any issuance or acceptance of additional capital, the Members hereby agree that **Schedule A** attached hereto shall be deemed amended to effectuate the terms of this Section 4.1(c).

4.2 Capital Accounts. An account (a "Capital Account") shall be established for each Member on the books of the Company, and the Member's Capital Account shall be adjusted as follows:

(a) Each Member's Capital Account shall be credited for such Member's Capital Contributions when and as received by the Company;

(b) Each Member's Capital Account shall be credited for the Profits allocated to such Member pursuant to Article 5;

(c) Each Member's Capital Account shall be debited for the amount of cash or the Fair Market Value, net of any liabilities assumed, of any other property distributed to such Member (provided that each Member's Capital Account shall not be debited for the amount of (i) cash or property distributed with respect to loans from a Member and (ii) reimbursements paid pursuant to Section 7.3);

(d) Each Member's Capital Account shall be debited for the Losses allocated to such Member pursuant to Article 5; and

(e) Each Member's Capital Account shall be debited or credited (as appropriate) as otherwise required by Treas. Reg. § 1.704-1(b)(2)(iv).

(f) For purposes of computing the amount of any item of the Company's income, gain, loss or deduction to be allocated pursuant to Article 5 and to be reflected in the Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose), provided that:

(i) The computation of all items of income, gain, loss and deduction shall include tax-exempt income and those items described in Treas. Reg. § 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for federal income tax purposes.

(ii) If the Book Value of any Company property is adjusted pursuant to Treas. Reg. § 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of Company property having a Book Value that differs from its adjusted basis, for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treas. Reg. § 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treas. Reg. § 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

(g) Each Member's Capital Account shall be credited with a proportionate part of any Net Appreciation, if any, which exists upon the admission of a Member to (including the admission of a Member as a result of transfer of an interest by a former Member), or the increase of an interest of an existing Member in (including an increase resulting from the acquisition (if all or a portion of an interest from another member or a former Member), the Company.

(h) Each Member's Capital Account shall be debited with a proportionate part of any Net Depreciation, if any, which exists upon the admission of a Member to (including the admission of a Member as a result of transfer of an interest by a former Member), or the increase of

an interest of an existing Member in (including an increase resulting from the acquisition of all or a portion of an interest from another Member or a former Member), the Company.

4.3 **Membership Interest.** A Membership Interest or Economic Interest shall for all purposes be personal property. Neither a Member nor an Economic Owner has any interest in specific Company property.

4.4 **No Withdrawal.** No Member shall be entitled to withdraw any part of its Capital Contribution or Capital Account or to receive any Distribution from the Company, except as expressly provided herein.

4.5 **Loans From Members.** Loans by Members to the Company (including the loans to Subsidiaries shall not be considered Capital Contributions. If any Member shall advance funds to the Company other than pursuant to the purchase of additional Units as described in Section 4.6 and in excess of the amounts required hereunder, the making of such advances shall not result in any credit to such Member's Capital Account. The amount of any such advances shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made; provided that the terms of any such loan shall not be less favorable to the Company than would be available to the Company from unrelated lenders.

4.6 **Issuances of Units; New Members.**

(a) **Subject to the provisions of Section 4.1(c) and 6.4(m), the Company shall have the right to issue additional Units from time to time and to establish the terms and conditions governing the issuance of such Units, including, without limitation, the number, payment preference and designation of such additional Units and any contributions required to be made to the Company in connection with the issuance and sale of such additional Units; provided, however, that at any time following the date of this Agreement, the Company shall not issue Units to any Person unless such Person shall have executed and delivered the documents described in clause (b)(i) below. If any Common Units are forfeited as set forth in the definition of Common Unit in Article I, then the majority vote of the Board of Directors shall determine if said Common Units are returned to the status of unissued or distributed to existing or future executives of the Company. The issuance of new classes of Preferred and/or Common Units for operation of existing Stations or for the acquisition or construction of additional television station(s) shall be reflected by an amendment to this Agreement and will require the approval thereof of the Required Interest, but will not require the consent of all Members or any Common Members notwithstanding the provisions of Article 11 hereinafter.**

(b) In order for a Person to be admitted as a Member of the Company (i) such Person shall have delivered to the Company a written undertaking to be bound by the terms and conditions of this Agreement and shall have delivered such documents and instruments as the Board determines to be necessary or appropriate in connection with the issuance of Units to such Person or to effect such Person's admission as a Member; (ii) Members with a majority of the Percentage

Interests shall Consent to admit such Person as a Member (determined in keeping with Revenue Procedure 95-10); and (iii) the President shall amend **Schedule A** and **Schedule B** attached hereto to reflect such new Person as a Member. Upon the amendment of **Schedule A** and **Schedule B** by the President, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his or its Membership interest, including, without limitation, the Units that correspond to and are part of such Membership Interest.

(c) Notwithstanding anything to the contrary set forth in this Section 4.6 or elsewhere in this Agreement, the Company shall not issue additional Units to any member or any Affiliate of any Member (including, without limitation, upon conversion of the Convertible Senior Subordinated Debt) which are senior in priority (in terms of distribution preference) to the Preferred Units or which are, in the case of Preferred Units, priced below the original issue price of the Preferred Units (as adjusted to reflect the contribution of units of membership interests in Tucson Communications, L.L.C., Tulsa Communications, L.L.C. and Louisville Communications, L.L.C.) unless such senior preferred units are issued to a Member or an Affiliate on terms which are no less favorable to the Company than were offered in writing by an independent third party who is financially capable of making the proposed investment in the Company. In addition, notwithstanding anything to the contrary set forth in this Section 4.6 or elsewhere in this Agreement, the Company shall not issue more than 6,350 Common Units per Station owned or acquired by the Company or any of its Subsidiaries.

4.7 **Status of Capital Contributions.**

(a) The amount of a Member's Capital Contributions may be returned to it, in whole or in part, at any time, but only with the consent of the Board. Except for returns of a Member's Capital Contributions pursuant to a complete redemption of such Member's Preferred Units, which redemption in combination with other Preferred Units redeemed that calendar year does not exceed 5% of the then Units outstanding, any return of Capital Contributions shall be pro rata to all Preferred Members in the same proportion as the Member's Capital Contributions to the Company. Notwithstanding the foregoing, no return of a Member's Capital Contributions shall be made hereunder if such contribution would violate applicable state law.

(b) No Member that receives a Distribution in violation of the Nevada Act shall be deemed to know at the time of the Distribution that the Distribution violated the Nevada Act in the absence of actual knowledge thereof. The payment of any money or distribution of any property to a Member, whether or not deemed to be a return of capital, shall not be required to be returned by the Member to the Company, any creditor of the Company or any other person. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Distribution made by the Company in violation of the Nevada Act was with the knowledge of a Member, any obligation under applicable law to return the same or any portion thereof shall be the obligation of such Member.

(c) No Member shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account or otherwise in its capacity as a Member, except as otherwise specifically approved by the Board.

(d) Except as otherwise provided herein and by applicable state law, the Members shall be liable only to make their Capital Contributions pursuant to Section 4.1 hereof, and no Member shall be required to lend any funds to the Company or, after a Member's Capital Contributions have been fully paid pursuant to Section 4.1 hereof, to make any additional Capital Contributions to the Company. No Member shall have any personal liability for the repayment of any Capital Contribution of any other Member.

4.8 **Authorized Interests.** As of the date of this Agreement, the Company is authorized to issue only the Membership interests, referred to in Section 2.6 and set forth on **Schedule A** attached hereto. Any future issuances of Membership Interests (other than as contemplated by Section 4.1(b) and **Schedule A** attached hereto) shall be subject to the approval of the Board and the terms and conditions of this Agreement.

4.9 **Certificate.** The Company shall issue certificates representing the Units. Such Certificates shall bear the legend set forth in Section 8.6 hereof.

4.10 **Loan Pledges.**

(a) **Pledges.** The Members understand that the Company will require working capital and funds for growth and expansion, and contemplate that the Company will seek to establish a line of credit and/or term loans with one or more financial institutions or other lending sources. The lender(s) may require the Members to pledge their Membership Interests to obtain the financing (such personal pledges of Membership Interests are referred to herein as "Enhancements"). The Members are willing to pledge their Membership Interests upon substantially the same terms as the other Members to secure the Company's borrowings, and desire to ensure one another that Enhancements will be delivered if and when they are requested by the Company's lender(s) and demand is received from the Board of Directors. Therefore, each Member hereby agrees that he/it will, upon demand from the Company, cause the Enhancements to be provided to the Company's lender(s) in order to permit the Company to obtain financing from such lender(s). A Member's failure to deliver the Enhancements upon demand shall be a default under this Operating Agreement. No Member shall receive a credit to his Capital Account as a result of the delivery of any Enhancement. No Member shall be required to deliver any Enhancement with respect to financing originally obtained from any other Member or Affiliate of any member. No Member shall be required to (i) give a personal guaranty of the Company's debt or (ii) to sign an assignment and pledge agreement with representations, warranties, or covenants different than those agreed to by the holders of a Majority of the Company's Units. If a Member acquires from another party a promissory note of the Company secured by a pledge of the Membership Interests, such acquiring Member shall not be entitled to vote such pledged Membership Interests to amend the Operating Agreement as to Sections

4.6, 4.7(a), or 4.10 or as to Articles 8, 9 or 13 without the written consent of the Member or Economic Owner who pledged the Membership Interests.

(b) **Option on Default.** If any Member is in default of this Operating Agreement by reason of his failure to deliver Enhancements, the nonbreaching Members shall have the option to purchase the breaching Member's Interest (including all preferred and common units) at a price equal to the breaching Member's Capital Account on the date of the breach. Such option may be exercised by the nonbreaching Members, in proportion to their Units or as they may otherwise agree, by notice to the breaching Member within 120 days after the default.

ARTICLE 5

Distributions and Allocation of Profit and Losses

5.1 Distributions - General Principles.

(a) Each Distribution shall be made in accordance with this Article 5. Except as provided in Section 5.3 and in Article 10, Distributions shall be made in cash.

(b) The Board shall have discretion as to the making and timing of Distributions under this Article 5 (subject to the requirements of Article 10 in the case of Liquidating Distributions). The Company shall retain such funds as the Board determines necessary to cover the Company's business needs, which shall include reserves against possible losses, and the payment or making provision for the payment, when due, of obligations of the Company.

Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a Distribution or any other distribution if such would violate the Nevada Act or other applicable law.

5.2 Distributions.

(a) Distributions (other than Distributions pursuant to Section 5.3) shall be made in the following order and priority (provided that Distributions among Members under Section 5.2(a)(iii)-(vii) shall be made *pari passu* among Members, and the order of listing of the relative percentages of Distributions to be made to classes of Members as set forth in any single subparagraph is not intended to express an order or priority of Distributions):

(i) **First**, to the Preferred Members, an amount equal to the Aggregate Unpaid Yield of the Preferred Members (in the proportion that each Preferred Member's Unpaid Yield bears to the Aggregate Unpaid Yield of all Preferred Members) until each Preferred Member has received Distributions under this Section 5.2(a)(i) sufficient to reduce such Preferred Member's Unpaid Yield to zero as of the date of such Distribution, and no Distribution or any portion thereof may be made pursuant to Sections 5.2(a)(ii)-(vii) below until the Aggregate Unpaid Yield of the Preferred Members as of the date of such Distribution is zero;

(ii) **Second**, to the Preferred Members, an amount equal to the Aggregate Unreturned Capital of the Preferred Members (in the proportion that each Preferred Member's Unreturned Capital bears to the Aggregate Unreturned Capital of all Preferred Members) until each Preferred Member has received Distributions under this Section 5.2(a)(ii) sufficient to reduce such Preferred Member's Unreturned Capital to zero as of the date of such Distribution, and no Distribution or any portion thereof may be made pursuant to Sections 5.2(a)(iii)-(vii) below until the Aggregate Unreturned Capital of the Preferred Members as of the date of such Distribution is zero;

(iii) **Third**, until the total Outflows to Preferred Holders equal the 20% IRR Amount, (i) 5.74% to the Common Holders and (ii) 94.26% to the Preferred Holders.

(iv) **Fourth**, until the total Outflows to Preferred Holders equal the 25% IRR Amount, (i) 9.99% to the Common Holders and (ii) 90.01% to the Preferred Holders.

(v) **Fifth**, for Distributions resulting in total Outflows to Preferred Holders in excess of the 25% IRR Amount and until the total Outflows to Preferred Holders equal the 30% IRR Amount, (i) 14.24% to the Common Holders and (ii) 85.76% to the Preferred Holders.

(vi) **Sixth**, for Distributions resulting in total Outflows to Preferred Holders in excess of the 30% IRR Amount and until the total Outflows to Preferred Holders equal the 35% IRR Amount, (i) 19.16% to the Common Holders and (ii) 80.84% to the Preferred Holders.

(vii) **Seventh**, for all Distributions resulting in total Outflows to Preferred Holders in excess of the 35% IRR Amount, (i) 24.09% to the Common Unit Holders and (ii) 75.91% to the Preferred Holders.

(b) **DELIBERATELY LEFT BLANK**

(c) **RESERVED**

5.3 Tax Distributions.

(a) Notwithstanding Sections 5.1 and 5.2 above, prior to April 1 of each calendar year, the Company shall distribute to the Members, in proportion to their respective shares of the sum of (x) Aggregate Yield allocated (or estimated to be allocated) to the Members for the Taxable Year and (y) Residual Income allocated (or estimated to be allocated) to the Members for the Taxable Year, an amount of cash equal to the Estimated Tax Amount for the Taxable Year with respect to which such Distribution is being made. If (A) the aggregate amount of Distributions with respect to any Taxable Year is less than (B) the Company's Tax Amount for such Taxable Year, the Company shall distribute an amount of cash equal to the amount by which such Tax Amount exceeds the aggregate amount of Distributions for such Taxable Year ("**Shortfall Distributions**") to the Member in proportion to each Member's share of such deficit of (A) compared to (B). The Company shall use its best efforts to make such Shortfall Distributions before March 31 in each calendar year.

If the aggregate amount of Tax Distributions with respect to the applicable Taxable Year or any preceding Taxable Year exceeds the Company's Tax Amount for such Taxable Year, each Member's share of such excess shall be deducted from the next following Distribution made to such Member (and any other following distributions until such excess has been fully deducted from such Distributions). Notwithstanding the foregoing, the Board of Directors shall have discretion not to make tax distributions or shortfall distributions if by majority vote, the Board of Directors vote to defer the distribution to conserve the cash assets of the Company.

(b) The Company's "**Tax Amount**" for a Taxable Year shall be the federal, state, and local income taxes which would be payable by the Company if the Company were taxed for such Taxable Year at the highest marginal federal, state and local income tax rate applicable to any Member (or the direct or indirect owners of any Member that is a flow-through entity for federal income tax purposes) on the sum of the Aggregate Yield for the Taxable Year and the Residual Income for the Taxable Year (computed as if the Company had elected to carry forward all loss and credit carry-overs, taking into account the character of any loss and credit carry forward as a capital or ordinary loss). "**Residual Income**" shall mean the excess of the Company's taxable income for the Taxable Year over the Aggregate Yield for the Taxable Year. The amounts in respect of tax withholding on payments to or from the Company for which Members (or owner directly or indirectly of such Members) are credited under applicable tax law shall be credited against payments of the Tax Amount to such Members.

(c) The Company's "**Estimated Tax Amount**" for a Taxable Year shall be the Company's Tax Amount for such Taxable Year as estimated from time to time by the officers of the Company. In making such estimate, the officers of the Company shall take into account amounts shown on IRS Form 1065 filed by the Company and similar state or local forms filed by the Company for the preceding taxable year and other adjustments as in the reasonable business judgment of such officers are necessary or appropriate to reflect the estimated operations of the Company for the Taxable Year.

(d) Any Tax Distribution made to a holder of Preferred Units with respect to Aggregate Yield shall be treated as a Distribution under Section 5.2(a) or Section 5.2(b), as applicable, and shall be taken into account in determining the amount of future Distributions under Section 5.2(a) or Section 5.2(b), as applicable, with respect to such Units. Any Tax Distribution made to a holder of Preferred Units or Common Units with respect to Residual Income shall be treated as a Distribution under Section 5.2(a)(ii)-(vii) or Section 5.2(b)(ii)(v), as applicable, and shall be taken into account in determining the amount of future Distributions under Section 5.2(a)(ii)-(vii) or Section 5.2(b)(ii)-(v), as applicable, with respect to such Units.

5.4 Allocation of Profits and Losses.

(a) Except as otherwise provided in Section 5.5, Profits and Losses for any Taxable Year shall be allocated among the Members in such manner that, as of the end of such Taxable Year, the sum of (i) the Capital Account of each Member, (ii) such Member's share of

Company Minimum Gain and (iii) such Member's Member Minimum Gain shall equal the net amount, positive, negative or zero, which would be distributed to such Member or for which such Member would be liable to the Company under this Agreement, determined as if the Company were to (x) liquidate the assets of the Company for an amount equal to their Book Value and (y) distribute the proceeds of liquidation pursuant to Section 10.2(b).

(b) For purposes of this Section 5.4, if Profits exceed Losses for a Taxable Year, (i) Losses shall first be allocated to members whose Capital Accounts are to be reduced as a result of the allocations under Section 5.4(a), in an amount equal to the amount by which such Capital Accounts are to be reduced and (ii) Profits and any remaining Losses shall be allocated to Member whose Capital Accounts are to be increased as a result of the allocations under Section 5.4(a), in the proportion that the amount of the increase in such Member's Capital Accounts as a result of the allocations under Section 5.4(a) bears to the aggregate amount of the increase in all such Members' Capital Accounts as a result of the allocations under Section 5.4(a).

(c) For purposes of this Section 5.4, if Losses exceed Profits for a Taxable Year, (i) Profits shall first be allocated to Members whose Capital Accounts are to be increased as a result of the allocations under Section 5.4(a), in an amount equal to the amount by which such Capital Accounts are to be increased and (ii) Losses and any remaining Profits shall be allocated to Members whose Capital Accounts are to be reduced as a result of the allocations under Section 5.4(a), in the proportion that the amount of the reduction in such Member's Capital Accounts as a result of the allocations under Section 5.4(a) bear to the aggregate amount of the reduction in all such Members' Capital Accounts as a result of the allocations under Section 5.4(a).

5.5 **Regulatory Allocation.** Notwithstanding the provisions of Section 5.4,

(a) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or 743(b) is required to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated, as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(m), as an item of Profits (if the adjustment increases the basis of the asset) or Losses (if the adjustment decreases such basis) and such Profits or Losses shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(b) If there is a net decrease in Company Minimum Gain (determined according to Treas. Reg. § 1.704-2(d)(1)) during any Taxable Year, each Member shall be specially allocated Profits for such Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treas. Reg. § 1.704-2(g). The items to be so allocated shall be determined in accordance with Treas. Reg. §§ 1.704-2(f)(6) and 1.704-(j)(2). This paragraph is intended to comply with the minimum gain chargeback requirement in Treas. Reg. § 1.704-2(f) and shall be interpreted consistently therewith.

(c) Member Nonrecourse Deductions shall be allocated in the manner required by Treas. Reg. § 1.704-2(i). Except as otherwise provided in Treas. Reg. § 1.704-2(i)(4), if there is a net decrease in Member Minimum Gain during any Taxable Year, each Member that has a share of such Member Minimum Gain shall be specially allocated Profits for such Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to that Member's share of the net decrease in Member Minimum Gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treas. Reg. §§ 1.704-2(i)(4) and 1.704-2(j)(2). This paragraph is intended to comply with the minimum gain chargeback requirements in Treas. Reg. § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(d) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. § 1.704-1(b)(2)(E)(d)(4), (5) or (6) Profits, shall be specially allocated to such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible. This paragraph is intended to comply with the qualified income offset requirement in Treas. Reg. § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) The allocations set forth in paragraphs (a), (b), (c) and (d) above (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Treasury Regulations under Code § 704. Notwithstanding any other provisions of this Article 5 (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Profits and Losses among Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

5.6 Tax Allocation.

(a) All income, gains, losses, deductions and credits of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts, except that if any such allocation for tax purposes is not permitted by the Code or other applicable law, the Company's subsequent income, gains, losses, deductions and credits shall be allocated among the Members for tax purposes, to the extent permitted by the Code or other applicable law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts. Except as otherwise provided herein, with respect to any allocation of a portion of Company Profits or Losses, or of a specifically allocated item, to a Member for any Fiscal Year or other period, such allocation shall represent an allocation to that Member of the same proportionate part of each item of income, gain, loss, deduction or credit, as the case may be, as is earned, received, or available by or to the Company for federal tax purposes.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Member in

accordance with Code § 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) If the Book Value of any Company property is adjusted pursuant to Section 4.2(f), subsequent allocations of items of taxable income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its Book Value in the same manner as under Code § 704(c).

(d) Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members according to their interests in such items as determined by the Tax Matters Member taking into account the principles of Treas. Reg. § 1.704-1(b)(4)(ii).

(e) Allocations pursuant to this Section 5.6 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions or other items pursuant to any provision of this Agreement.

5.7 Curative Allocations. If the Tax Matters Member determines, after consultation with counsel experienced in income tax matters, that the allocation of any item of Company income, gain, loss, deduction or credit is not specified in this Article 5 (an "unallocated item"), or that the allocation of any item of Company income, gain, loss, deduction or credit hereunder is clearly inconsistent with the Members' economic interests in the Company (determined by reference to the general principles of Treas. Reg. § 1.704-1(b) and the factors set forth in Treas. Reg. § 1.704-1(b)(3)(ii)) (a "misallocated item"), then the Tax Matters Member may allocate such unallocated items, or reallocate such misallocated items, to reflect such economic interests; provided that no such allocation shall have any material effect on the amounts distributable to any Member, including the amounts to be distributed upon the complete liquidation of the Company.

ARTICLE 6 Management

6.1 Management of the Company. The management of the business, properties and affairs of the Company shall be by Managers and vested in the Board. Except for situations in which the approval of the Board or other Consent is required by Section 6.4, the Board shall have full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business, operations and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purpose of the Company as set forth herein (including, without limitation, any of the actions described in Section 3.2 hereof). Subject to the provisions of this Agreement, the duly authorized officers of the Company (who shall initially consist of Gregory W. Kunz, as President/Chief Executive Officer, Carol LaFever, as Chief Operating Officer, and Tom Hettle, as Chief Financial Officer) shall have general and active management of the business and operations of the Company, including such other powers and duties as may be prescribed by the Board.

6.2 Board of Directors.

(a) **Establishment.** There is hereby established a Board of Directors (the "Board") comprised of natural persons (the "Directors") having the authority and duties set forth in this Agreement.

(b) **Number of Directors.** The authorized number of Directors shall be five (5), and such five (5) Directors shall be designated in the manner described in Section 6.2(c) hereof. The authorized number of Directors, and the manner in which such Directors are to be designated, shall not be changed without a vote of Members holding a majority of the outstanding Preferred Units.

(c) Appointment of Directors.

(i) **Appointment of Series A Directors.** National and Levine shall have the right (acting pursuant to vote of a majority of their outstanding Preferred Units) to designate (and to remove and designate replacements for) two (2) Directors. The Directors designated by National and Levine pursuant to this subparagraph are sometimes hereinafter each referred to as a "Series A Director" and, together as the "Series A Directors." The initial Series A Directors shall be Gregory W. Kunz and Dennis W. Brush. Gregory W. Kunz shall be the initial Chairman.

(ii) **Appointment of Series B Directors.** Ronald J. Bergamo, Kenneth A. Karaszkiwicz, Chester R. Bacon, Gene Steinberg, Terrance J. Conway, Michael J. Barich, Douglas V. McClure, William Bradley, Winnie Sell and Jackie Anderson shall have the right (acting pursuant to vote of a majority of their outstanding Preferred Units) to designate (and to remove and designate replacements for) one (1) Director (sometimes hereinafter referred to as a "Series B Director"). The initial Series B Director shall be Chester Rod Bacon.

(iii) **Appointment of Members' Directors.** All Preferred Members, voting together as a single class, shall have the right (acting pursuant to vote of a majority of the Percentage Interests) to designate (and remove and designate replacements for) two (2) Directors (sometimes hereinafter each referred to as the "Member's Director" and, together, as the "Members' Directors"). The initial Members' Directors shall be Carol LaFever and Tom Hettle.

(d) **Term of Office.** Once designated, a Director shall continue in office until such Director's removal in accordance with this Agreement or such Director's earlier death or resignation. Any Director may resign at any time by giving written notice to that effect to the Board. Any such resignation shall take effect at the time of the receipt of that notice or any later effective time specified in that notice, and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

(e) **Meeting of the Board.** The Board shall meet at least quarterly, at such time and at such place as the Board may designate. Special meetings of the Board shall be held on the

call of any Director or the President upon at least five days (if the meeting is to be held in person) or two days (if the meeting is held by telephone communications) oral or written notice to the Directors, or upon such shorter notice as may be approved by the Directors. Any Director may waive such notice as to himself or herself.

(i) **Conduct of Meetings.** Any meeting of the Directors may be held in person or telephonically.

(ii) **Quorum.** Subject to the proviso to the first sentence of Section 6.2(f) below, a majority of the votes of the Directors which have been designated and who are then in office shall constitute a quorum of the Board for purposes of conducting business, provided that no quorum shall be deemed to exist unless at least one (1) Series A Director is present or participating at such meeting.

(f) **Voting.** Except as provided in Section 6.4 of this Agreement, the effectiveness of any vote, consent or other action of the Board or the Directors in respect of any matter shall require either (i) the affirmative vote of the majority of the votes of the Directors present or participating by telephone at any meeting, which vote includes at least one (1) Series A Director's affirmative vote with the majority and at which a quorum of the Board is present or participating by telephone or (ii) the written consent of a majority of the votes of the Directors who have been designated and who are then in office; provided, that any such written consent includes the affirmative vote of at least one (1) Series A Director. **No Director shall be disqualified from voting on, or shall be required to recuse himself or herself from the consideration of or voting on, any matter by reason of such Director's or any related Person's interest in such matter (it being understood that in approving or disapproving any matter a Director may act to protect the interests of such Director or related Person, as the Chairman, President, a Member, or in any other capacity), so long as such Director discloses such interest to, or such interest is reasonably apparent to, the other Directors.** Only the Directors in attendance at (or participating by telephone in) any meeting of the Board may vote on any matter as to which a vote is taken during such meeting, and no Director may vote by proxy, absentee ballot or any other means.

(g) **Attendance by the President and Executive Vice Presidents.** The President and the executive vice presidents, if such persons are not attending Board meetings as a Director, shall, if so requested by the Board, attend Board meetings to give advice to and consult with the Directors with regard to any Major Action or other matters being discussed at the Board meeting. However, if not attending Board meetings as a Director, such officers, solely in his or her capacity as officers of the Company, shall have no right to vote on, approve or make any decisions with respect to matters being considered by the Board.

(h) **Subsidiary Boards.** The Company shall cause each of its wholly owned Subsidiaries (whether a limited liability company, a corporation, a partnership or otherwise) to establish governing boards (each, a "Sub Board"), which Sub Boards will be entrusted with similar responsibilities and functions as the Board. The Company shall cause the membership and

composition of each Sub Board, at any particular time, to include the Series B Director in the membership of the Sub Board at such time.

6.3 **Budgets.** Attached hereto as **Schedule C** is the Company's and its Subsidiaries' Budget for the year 2001. The Company shall be authorized to make and may cause any Subsidiary to make, and the President or any other officer of the Company may cause the Company or any of its Subsidiaries to make, any expenditure which is reflected in the Budget and any expenditures which are not included in the Budget and which do not in the aggregate exceed the amount permitted by the Credit Agreements, Senior Debt or any Convertible Subordinated Senior Debt. From time to time, and in any event within 60 days prior to the start of any Fiscal Year, the President or the other officers of the Company shall prepare and propose to the Board new budgets for approval (once approved by the Board, an "Approved Budget") or amendments, supplements, revisions or replacements of the Approved Budgets.

6.4 **Actions Requiring Specified Approval.** It is hereby understood and agreed by the Members that, (x) the Company shall not take, (y) the Company shall not permit any Subsidiary to take nor (z) shall the Board, the Members, the President and/or any officer of the Company cause the Company or any Subsidiary to take, any of the following actions (in each case the taking of which shall be hereinafter referred to as a "Major Action") without first obtaining approval thereof by the Required Interest in each case (unless (i) such action is specifically contemplated by the Budget or any Approved Budget, and (ii) the Budget or any Approved Budget has been approved in writing by the Required Interest).

(a) **Transfers.** Except (i) as may be required by the FCC or (ii) in the Ordinary Course of Business, sell, option, convey, exchange, lease (as lessor), license, or otherwise dispose of or transfer in any Fiscal Year, any portion of or any interest in any property of the Company or any Subsidiary having a fair market value of more than \$1,000,000;

(b) **Mergers.** Directly or indirectly, by operation of law or otherwise, merge with, consolidate with, acquire all or substantially all of the assets or capital stock of, or otherwise combine with, any Person;

(c) **Acquisitions of Real Property.** Except for any leases of real property interests which are entered into in the Ordinary Course of Business and which have annualized payment obligations of less than \$1,000,000 (either individually or in the aggregate), acquire any real property, or any right thereto or interest therein, or proceed with the development of any real property or expend moneys in connection therewith;

(d) **Other Acquisitions.** In any Fiscal Year (i) purchase or acquire any assets or property (including capital stock) of a business or (ii) make any capital expenditures, in excess of the lesser of (x) the amount established in the Budget or the Approved Budget plus \$1,000,000 or (y) the amount allowed for any such capital expenditures under the Credit Agreements as in effect on the date of this Agreement;

(e) **Indebtedness.** Lend funds belonging to the Company or any Subsidiary to any Member or to any third party; extend to any Person credit on behalf of the Company or any Subsidiary (other than customary extensions of credit to trade creditors in the Ordinary Course of Business); obligate the Company, any Subsidiary or a Member as a surety, guarantor, or accommodation party to any obligation (other than under the Credit Agreements, Senior Debt or Convertible Subordinated Senior Debt); grant any lien or encumbrance on any property of the Company or any Subsidiary (other than (x) the interest of any lessor in property leased by the Company or any Subsidiary as Tenant under a capitalized lease or operating lease entered into in accordance with this Agreement or (y) any liens in favor of National or Kunz Trust under the Credit Agreements or liens otherwise permitted by the Credit Agreement, Senior Debt or Convertible Subordinated Senior Debt); incur any indebtedness for borrowed money (it being agreed that obligations of the Company or any Subsidiary under capitalized leases in the amount permitted by the Credit Agreements, Senior Debt or Convertible Subordinated Senior Debt shall not constitute "indebtedness for borrowed money" of the Company or any Subsidiary for purposes of this Section 6.4(e)) other than customary extensions of credit in the Ordinary Course of Business or indebtedness for borrowed money incurred pursuant to the Credit Agreements, Senior Debt or Convertible Subordinated Senior Debt; or impose upon any Member any personal liability in respect of any indebtedness of the Company or any Subsidiary; except as and to the extent agreed in writing by such Member;

(f) **Impossibility.** Any act that would make it impossible to carry on the business of the Company or any Subsidiary;

(g) **Judgments.** Confess a judgment against the Company or any Subsidiary, or settle or adjust any claims against the Company or any Subsidiary, resulting in payment or transfer of consideration of more than \$250,000 for a single judgment or claim or more than \$250,000 in the aggregate during any 18-month period, in each case net of any related insurance proceeds; or commence any legal action or proceeding involving the Company or any Subsidiary;

(h) **Investments.** Except as permitted by the Credit Agreements, Senior Debt or Convertible Subordinated Senior Debt purchase or otherwise acquire, hold or invest in the equity securities of, or any other interest in, any other Person, or make any loan to, or enter into any arrangement for the purpose of providing funds or credit to, or make any other investment, whether by way of capital contribution, time deposit or otherwise, in or with any Person, or permit any of its Subsidiaries so to do;

(i) **Public Offerings.** Issue, sell or offer to sell any of the securities of the Company or any Subsidiary in a public offering that is registered under the Securities Act;

(j) **Joint Ventures.** Except for any investments, joint ventures, joint operating or similar arrangements, including, without limitation, local marketing agreements, which do not require investment by the Company or any of its Subsidiaries in excess of \$1,000,000 in the

aggregate at any time, enter into any joint venture, joint operating or similar arrangement, including, without limitation, local marketing agreements, or make any investment in any entity;

(k) **Distributions.** Declare, set aside, or pay any dividend or make any distribution of assets (whether in cash, securities, property, or any combination thereof), except as provided herein;

(l) **Bankruptcy.** Make, execute or deliver on behalf of the Company or any Subsidiary an assignment for the benefit of creditors; or cause the Company, any Subsidiary, or any part thereof or interest therein to be subject to the authority of any trustee, custodian or receiver or to be subject to any proceeding for bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, relief of debtors, dissolution or liquidation, or similar proceedings with respect to the Company or any Subsidiary;

(m) **Issuances or Repurchase of Equity.** (i) Issue, or enter into any agreement to issue, to any Person or any Subsidiary any Membership interest or Economic Interest or any equity interest in the Company or any subsidiary or option or other right to acquire any Membership Interest or Economic Interest or any other equity interest or quasi equity interest or any equity interest in the Company or any Subsidiary (other than as provided herein) or subdivide or combine any outstanding Units or (ii) repurchase any Membership interest or Economic Interest (other than as provided herein);

(n) **Affiliates.** (i) Employ or contract with any Affiliate of any Member, other than as contemplated by the Credit Agreements, Senior Debt or Convertible Subordinated Senior Debt, or (ii) modify or amend any operating agreement of any Subsidiary;

(o) **Return of Capital Contribution.** Return to a Member the amount of its Capital Contribution, except as contemplated by Section 4.7;

(p) **Intentionally Left Blank.**

(q) **Accounting.** (i) Except as otherwise may be mandated by GAAP or FASB, change any of the accounting principles or practices used by the Company or any Subsidiary or (ii) change the independent auditors of the Company;

(r) **Name.** Change the name of the Company from "Cascade Broadcasting Group, L.L.C." or any derivative thereof;

(s) **Office and Agent.** Change the location of the Company's office in the State of Nevada or the identity of the Company's registered agent in the State of Nevada described in Section 2.3 or change the location of the Company's headquarters or principal office;

(t) **Conduct of Business.** Engage in any business other than the operation of television stations;

(u) **Contracts and Commitments.** Enter into (i) any contracts or commitments imposing a liability on the Company or any of its Subsidiaries with a duration in excess of 60 months and with aggregate annualized payment obligations in excess of \$2,500,000.00 or (ii) any contracts or commitments imposing a liability on the Company and its Subsidiaries with aggregate annualized payment obligations in excess of \$4,000,000.00; provided, that nothing contained herein shall limit in any manner any action by the Board or the President which is required by the Communications Act or the rules, regulations or policies of the FCC.

6.5 **Company Funds.** Except with the approval of the Board, the Company shall not, and shall not permit any Subsidiary to, pay to or use for, the benefit of any Member (except in any Member's capacity as an employee or independent contractor of the Company or any Subsidiary), funds, assets, credit, or other resources of any kind or description of the Company or any Subsidiary. Funds of the Company or any Subsidiary shall be deposited only in the accounts of the Company in the Company's name or in accounts of such Subsidiary in such Subsidiary's name, shall not be commingled with funds of any Member, and shall be withdrawn only upon such signature or signatures as may be designated in writing from time to time by the Board, or the Sub Board, as the case may be.

6.6 **Performance of Duties; Liability of Directors and Officers.** Subject to the provisions of Section 6.11(d), a Person who is a Director or an officer of the Company, or any combination of the foregoing, shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or to any Member, unless the loss or damage shall have been the result of gross negligence, fraud or intentional misconduct by the Director or officer in question. In performing his or her duties, each such Person shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports, or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company or any facts pertinent to the existence and amount of assets from which distributions to Members and Economic Owners might properly be paid), of the following other Persons or groups: (a) one or more officers or employees of the Company; (b) any attorney, independent accountant, or other Person employed or engaged by the Company; or (c) any other Person who has been selected with reasonable care by or on behalf of the Company, in each case as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 18-406 of the Nevada Act. No Person who is a Director or an officer of the Company, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of being a Director or an officer of the Company or any combination of the foregoing.