

AMENDMENT NO. 1 TO TIME BROKERAGE AGREEMENT

Amendment No. 1 dated as of July 21, 1999 (the "Amendment"), to Time Brokerage Agreement (the "TBA") dated as of November 12, 1997, between Comcorp of Louisiana, Inc. and KADN-15, Inc. Terms used and otherwise defined in this Amendment shall have the meanings given to them in the TBA.

1. Section 8.1 of the TBA is hereby amended by adding the following sentence at the end of such section:

The Option granted hereunder shall expire on August 12, 2000 (the "Initial Term"). The Initial Term may be renewed by Broker for up to five (5) successive one year terms by Broker paying to Licensee a payment of \$425,000 for each renewal term (a "Renewal Payment").

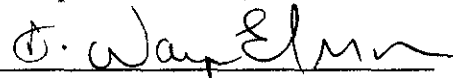
2. Section 8.3 of the TBA is hereby amended by deleting the second sentence thereof and substituting in its place the following:

Under said Option, Broker may purchase the assets of the Station for the purchase price of Thirteen Million One Hundred Twenty-Five Thousand Dollars (\$13,125,000) (the "Purchase Price"). The Purchase Price shall be reduced by the Option Price and any Renewal Payments made by Broker to Licensee.

3. Except as amended hereby, the TBA shall remain in full force and effect.

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

Comcorp of Louisiana, Inc.

By: 

KADN-15, Inc.

By: 

## **TIME BROKERAGE AGREEMENT**

THIS TIME BROKERAGE AGREEMENT (this "Agreement") is made and entered into as of November 12 1997 by and between Comcorp of Louisiana, Inc., a Delaware corporation ("Broker"), and KADN-15, Inc., a Delaware corporation ("Licensee"), licensee of Television Station KADN-TV, Lafayette, Louisiana:

### **WITNESSETH:**

WHEREAS, Broker is in the business of producing and transmitting news, sports, informational, public-service, and entertainment programming and associated advertising; and

WHEREAS, Licensee has a valid license issued by the Federal Communications Commission (the "FCC") for Station KADN-TV, Channel 15, Lafayette, Louisiana (the "Station"); and

WHEREAS, Broker desires to provide programming to be transmitted on the Station pursuant to the provisions of this Agreement and the applicable rules and regulations of the FCC;

WHEREAS, Licensee desires to accept and to transmit programming supplied by Broker on the Station, while maintaining control over the Station; and

WHEREAS, Licensee herein grants to Broker an option to purchase the Station pursuant to the terms and conditions of a definitive Asset Purchase Agreement to be executed following the exercise of such option.

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants, and agreements of the parties contained in this Agreement, the parties hereto, intending to be legally bound, do hereby agree as follows:

### **ARTICLE I** **PROGRAMMING**

1.1 Brokered Programming. Broker will provide for transmission by the Station, at Broker's expense, news, sports, informational, and entertainment programming, and associated advertising, promotional, and public-service programming and announcement matter sufficient to program the Station on a daily basis throughout the Initial Term, as hereinafter defined, and any renewal term thereof (the "Brokered

Programming"), subject to Paragraphs 1.2 and 1.3 hereof. All Brokered Programming and its transmission by the Station shall be subject to the supervision and control of Licensee.

1.2 Licensee Programming. Licensee will retain sole responsibility for the ascertainment of the problems, issues, concerns, and needs of the Station's community of license and its service area, including specifically the problems, issues, concerns, and needs of the children therein for educational and informational programming. Licensee will communicate to Broker the results of Licensee's ascertainment of such problems, issues, concerns, and needs. The Brokered Programming will include programming which responds to the problems, issues, concerns, and needs ascertained by Licensee. Licensee shall have the right to broadcast such additional programming, either produced or purchased by Licensee, as Licensee shall determine to be appropriate in order to respond to the ascertained problems, issues, concerns, and needs (the "Licensee Programming"). Such Licensee Programming shall be broadcast at times agreed to by Broker and Licensee; provided, however, that in the absence of such agreement, Licensee may delete or pre-empt, in Licensee's sole discretion, any Brokered Programming for the purpose of transmitting such Licensee Programming.

1.3 Additional Licensee Obligations.

(a) Although Licensee and Broker shall cooperate in the broadcast of emergency information over the Station, Licensee shall retain the right to interrupt, pre-empt, or delete the Brokered Programming in case of an emergency or for programming which, in the good-faith judgment of Licensee, is of greater local or national public importance than the Brokered Programming so interrupted, pre-empted, or deleted.

(b) Licensee shall coordinate with Broker the Station's hourly station identifications and any other announcements required to be presented by the FCC's rules and regulations.

(c) Licensee and Broker shall cooperate in ensuring compliance with the FCC's rules and requirements governing uses of the Station's facilities by legally-

qualified candidates for election to public office, including compliance with Licensee's obligation to provide reasonable access to use the Station's facilities on the part of legally-qualified candidates for election to federal public office. Upon Licensee's request, Broker will provide Licensee with copies of any material setting forth terms and/or conditions for the availability of political advertising time on the Station in advance of the public dissemination of such material, so that Licensee may provide its input as to such material.

1.4 Broadcast Station Programming Policy Statement. Licensee's Broadcast Station Programming Policy Statement (the "Policy Statement") is attached hereto as Exhibit A hereto and, by this reference, is incorporated herein as though fully set forth herein. The Policy Statement may be amended from time to time by Licensee, upon notice to Broker. Broker agrees and covenants to comply in all material respects with the Policy Statement, with all rules and regulations of the FCC, and with all changes subsequently made by Licensee to the Policy Statement or by the FCC to its rules and regulations. Broker shall furnish or shall cause to be furnished the artistic personnel and material for the Brokered Programming as provided in this Agreement, and all Brokered Programming shall be prepared and presented in conformity with the rules, regulations, and policies of the FCC and with the Policy Statement set forth in Exhibit A hereto. All advertising spots and promotional material or announcements shall comply with applicable federal, state, and local regulations and policies and the Policy Statement, and shall be produced in accordance with quality standards established by Broker. If Licensee shall determine that any Brokered Programming supplied by Broker is for any reason, within Licensee's sole discretion, unsatisfactory or unsuitable or contrary to the public interest, or does not comply with the Policy Statement, Licensee may, upon written notice to Broker (to the extent that time shall permit such notice) require Broker to alter the Brokered Programming and, in the absence of such alteration to Licensee's satisfaction on a timely basis, suspend or cancel such Brokered Programming and substitute Licensee's own programming or require Broker to provide suitable programming, commercial announcements, or other announcements or promotional material.

1.5 Broker Compliance with Copyright Act. Broker represents and warrants to Licensee that Broker has full authority to broadcast the Brokered Programming on the Station, and that Broker shall not broadcast any material in violation of the Copyright Act. All music supplied by Broker shall be: (i) licensed by ASCAP, SESAC, or BMI; (ii) in the public domain; or (iii) cleared at the source by Broker. Licensee shall maintain ASCAP, SESAC, and BMI licenses, as necessary regarding the Licensee's programming. The right to use the Brokered Programming and to authorize its use in any manner shall be, and shall remain, vested in Broker.

1.6 Sales. Broker shall be entitled to all of (i) the Station's network compensation revenues, (ii) any promotion-related revenues received from any network or program supplier with respect to affiliation with such network or the broadcast by the Station as part of the Brokered Programming of any particular program, (iii) revenues on account of the granting by Licensee of Licensee's consent to the retransmission by any other medium of distribution of the Brokered Programming, and (iv) all revenues from the sale of advertising time within the Brokered Programming provided by Broker for broadcast by the Station. Broker may sell advertising on the Station in combination with any other broadcast station(s) of Broker's choosing. Broker shall be responsible for the payment of commissions due to any national sales representative engaged by Broker for the purpose of selling national advertising which is carried during the Brokered Programming. Unless otherwise agreed between the parties, Licensee shall retain all revenues from the sale of the Station's advertising during the Licensee Programming. Licensee and Broker each shall have the right, at its own expense, to seek copyright royalty payments for its own programming.

1.7 Children's Television Advertising. Broker agrees that it will not broadcast advertising in programs originally designed for children aged 12 years or under in excess of the amounts permitted under applicable FCC rules and regulations.

1.8 Payola. Broker agrees that it will not accept, and will not permit any of its employees to accept, any consideration, compensation, gift, or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies, or other merchandise, services, or labor (collectively,

"Consideration"), whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the payor is identified in the program for which the Consideration was provided as having paid for or furnished such Consideration, in accordance with the Communications Act of 1934, as amended (the "Act"), and the FCC's rules and regulations. Broker agrees annually, or more frequently at the request of Licensee, to execute and to provide Licensee with a Payola Affidavit, substantially in the form attached hereto as Exhibit B and by this reference incorporated herein as though fully set forth herein.

## **ARTICLE II** **OPERATIONS**

### **2.1 Compliance With FCC Regulations.**

(a) Licensee will have full authority, power, and control over the management and operations of the Station during the Initial Term of this Agreement, as hereinafter defined, and during any renewal term of this Agreement. Licensee will bear all responsibility for the Station's compliance with all applicable provisions of the Act, and the rules, regulations, and policies of the FCC, including all technical regulations governing the operation of the Station, all programming content requirements, the maintenance of a main studio for the Station, providing a meaningful managerial and staff presence at the main studio, the ascertainment of and programming in response to community problems, issues, concerns, and needs (including the problems, issues, concerns, and needs of children), political programming laws and regulations, sponsorship identification rules, lottery and contest regulations, maintenance of the Station's public and political files, compiling quarterly lists of ascertained problems, issues, concerns, and needs and responsive programming broadcast by the Station, compiling quarterly or annual lists of the problems, issues, concerns, and needs of children and responsive programming broadcast by the Station, compiling quarterly documentation of compliance with commercial limits applicable to children's television programming, maintaining employment records for the Licensee's employees at the Station, and all other FCC requirements and duties applicable to the Station. Broker shall, upon request by Licensee, provide Licensee with such information concerning

Broker's programs and advertising as is necessary to assist Licensee in the preparation of such lists and documentation or to enable Licensee to verify independently the Station's compliance with the Children's Television Act or any other laws, rules, regulations, or policies applicable to the Station's operations.

(b) It is agreed that, at a minimum, Licensee shall staff the main studio of the Station in a manner that conforms with the rules, regulations and policies of the FCC, including a Chief Operator. Licensee's staff shall have managerial control over and direct Licensee's day-to-day operations at the Station. Licensee's staff shall be accountable to Licensee.

2.2 Provision of Programming. Subject to Licensee's control and supervision, Broker shall provide the Brokered Programming and shall be responsible for implementing its transmission by the Station, utilizing assets owned by Broker to the extent necessary. To the extent that Broker shall reasonably request the use of tangible assets of the Station that are owned by Licensee in order to enable Broker to fulfill its obligations under this Agreement, Licensee shall make the use of such assets reasonably available to Broker at no additional cost to Broker.

2.3 Station Staffing.

(a) Subject to the provisions of Paragraph 2.1 hereof, Licensee shall have sole discretion to make and to effectuate all staffing and personnel decisions involving Licensee's employees. Broker shall have no control or right of review whatsoever over any decision by Licensee to hire or to dismiss any employee of Licensee.

(b) Broker shall employ and shall be solely responsible for the salaries, taxes, insurance, and related costs of all personnel whose services shall be used in the sale of commercial advertising time and the production of the Brokered Programming (including salespeople, traffic personnel, board operators, and programming staff). Broker's employees shall be solely accountable to Broker. Licensee shall be solely responsible for the Station personnel necessary for the discharge by Licensee of its obligations under this Agreement, including any related costs of such personnel. Licensee's staff shall be solely accountable to Licensee.

(c) Broker agrees to provide Licensee such information as Licensee may request concerning Broker's recruitment, hiring, or employment practices in connection with Broker's provision of the Brokered Programming to the Station.

2.4 Station Maintenance. Licensee shall be responsible, with the cooperation of Broker, for the maintenance in good working order and repair of the Station's transmission systems and any owned equipment used or useful in connection with the operation of the Station. Broker shall promptly reimburse Licensee for all capital expenditures that may be necessary in order to maintain the equipment in good working order and repair.

2.5 New Technology. Any future FCC frequency allocations associated with the Station shall be included within the provisions of this Agreement. Specifically, if an Advanced Television ("ATV") "simulcast" channel shall ultimately be allocated to Licensee by the FCC in conjunction with or as a result of Licensee's License from the FCC for the Station, Licensee shall have the right, at its own cost, to build, or to require Broker to build, the transmission facility that will operate or utilize the ATV channel (and such facility shall be subject to the Option provided for herein). In either event, Licensee and Broker shall enter into an agreement for Broker to provide the programming for that facility consistent with the terms of this Agreement, provided, however, that Licensee shall not be entitled to any adjustment of the monthly fee due to it under Section 3.1 as a result of such additional facility.

2.6 Finances, Budgeting, and Accounting.

(a) Any amounts paid to and received by the Station during the term of this Agreement that are due Broker shall be processed by a Station employee and promptly paid to Broker. The Licensee shall maintain such books and records as shall enable Licensee and Broker to verify all such processing.

(b) All invoices and bills received by the Station for services rendered or goods provided to the Station in connection with the operations of the Licensee during the term of this Agreement promptly shall be paid by the Licensee. Licensee shall maintain such books and records as shall enable Licensee and Broker to verify all such payments. Any invoices or bills, or portions of invoices or bills, that are



determined to be the responsibility of Broker shall be remitted to Broker for payment. Licensee shall timely pay or cause to be paid all invoices and bills, or portions thereof, that are determined to be the responsibility of Licensee.

(c) Broker shall reimburse Licensee for any item which Broker has previously agreed in writing to pay and which conforms to any item appearing in Licensee's budget of expenses ordinarily incurred or accrued in operating the Station (the "Budget"), a copy of which Budget is appended hereto as Exhibit C, and which has been previously approved by Broker.

### **ARTICLE III** **FEES AND OTHER CONSIDERATION**

3.1 Fee. Starting on the Commencement Date, as hereinafter defined, Broker shall pay to Licensee monthly, on the first day of the month to which such payment applies, the fee specified in Exhibit D hereto.

3.2 Adjustments.

(a) Licensee may broadcast up to two (2) hours of Licensee Programming per week, pursuant to Paragraph 1.2 hereof, without any adjustment to the fee provided in Exhibit D. If at any time during the term of this Agreement the Station shall fail for any reason, other than as expressly provided in subsections 3.2(b) and (c), to carry Brokered Programming for an amount of time for which Broker shall have offered such Brokered Programming for transmission by the Station, the fee payable to Licensee by Broker pursuant to Exhibit D shall be reduced by the then-current value (established by reference to Broker's standard rates for the same) of the advertising time that was scheduled to have been broadcast by the Station during any such Brokered Programming that was offered by Broker for transmission by the Station but that was not transmitted; provided, however, that any reduction in the fee payable to Licensee by Broker pursuant to this Subparagraph 3.2(a) shall be without prejudice to Broker's rights under Paragraph 4.4 hereof.

(b) The monthly fee payable to Licensee by Broker shall not be reduced if Licensee's failure or refusal to carry the Brokered Programming (i) applies to not more than the two (2) hours per week specified in the preceding paragraph or (ii) as

provided in Section 9.1 hereof;

(c) Notwithstanding the provisions of Subparagraph 3.2(a) hereof, the fee payable to Licensee by Broker shall not be reduced if Licensee shall determine, in its sole discretion, that Licensee Programming, as defined in Paragraph 1.2 hereof, in an amount exceeding two (2) hours per week, shall be necessary to be broadcast by the Station in order to fulfill FCC requirements or Licensee's obligations as an FCC licensee; provided, however, that any exercise by Licensee of its rights pursuant to this Subparagraph 3.2(c) shall be without prejudice to Broker's rights under Paragraph 4.4 hereof.

3.3 Tower and Studio Lease. Broker, as sublessee from BH, LLC, of the tower and studio space of the TV Station, hereby agrees to make such tower and studio space available to Licensee for use in the operation of the Station at all times during the term of this Agreement. In the event that this Agreement is terminated other than upon the consummation of the sale of the Stations to Broker, then Broker (or BH, LLC) shall enter into a lease with Licensee to provide Licensee use of such tower and office space for use in connection with the Station for a period of \_\_\_\_ [months/years] following termination at a commercially reasonable fair market rate.

#### ARTICLE IV TERM

4.1 Initial Term. The effective date of this Agreement shall be on the date of execution by both parties hereto. The Commencement Date, the date on which Broker shall begin providing the Brokered Programming under this Agreement, shall be November 12, 1997. The initial term ("Initial Term") of this Agreement shall expire on the fifth (5th) anniversary of the Commencement Date hereof. In the event the Option provided in Article VII is exercised during the Initial Term, such term shall be extended until the consummation of the assignment of the licenses of the Station to Broker or its *permitted successors or assigns*.

4.2 Renewal Term. Unless Broker shall have provided written notice to Licensee of Broker's election not to renew this Agreement beyond the Initial Term (said notice to be provided to Licensee at least one hundred eighty (180) days prior to the

expiration of the Initial Term), or unless this Agreement has been earlier terminated pursuant to the terms hereof, this Agreement shall automatically be renewed for one additional five (5) year term following the expiration of the Initial Term. In the event the Option provided in Article VIII is exercised during a renewal term, such term shall be extended until the consummation of the assignment of the licenses of the Station to Broker or its permitted successors or assigns.

4.3 Termination. This agreement may be unilaterally terminated by Licensee upon giving twelve (12) months prior written notice to Broker. Should Licensee give such notice, Broker shall have the right, upon thirty (30) days written notice to Licensee, to reduce the date of termination to ninety (90) days from the receipt by Broker of such notice. This Agreement will, in any event, terminate upon the Closing of a sale, transfer of control, or assignment of license to Broker or an affiliate of Broker. In the event of a sale, transfer or assignment of the licenses of the Station to a party other than Broker or its affiliate or its permitted successors or assigns, this Agreement shall continue between Broker and such third party under the same terms and conditions. In the event such third party buyer does not assume this Agreement, the Agreement shall terminate upon the consummation of the sale of the Station to such third party and Broker shall be entitled to Damages as provided in Paragraph 4.6 from Licensee.

4.4 Termination for Refusal to Transmit Programs. In the event that Licensee shall fail to make the Station available to Broker for the transmission of Brokered Programming (except as provided in Subparagraph 3.2(b) or (c) or paragraph 9.1 hereof) for a period of either (i) twenty-four (24) consecutive hours, or (ii) Fifteen (15) hours in any thirty (30) day period, Broker shall have the right, exercisable at any time within thirty (30) days after the end of such period, upon written notice to Licensee, to terminate this Agreement effective as of any date within one hundred and twenty (120) days after the date on which Broker shall have notified Licensee of Broker's termination of this Agreement. Any notice of termination provided by Broker to Licensee pursuant to this Paragraph shall specify the effective date of such termination. Such termination shall extinguish the rights and liabilities of Broker and Licensee under this Agreement from and after the effective date of such termination, other than rights and liabilities for pre-

termination breaches of or defaults under this Agreement; provided, however, that upon termination of this Agreement by Broker pursuant to this Paragraph, there shall be a final accounting of monies due but unpaid as of the date of termination under this Agreement; and, provided, further, that Broker shall be entitled to the payment by Licensee of Damages, as defined in Paragraph 4.6 hereof.

4.5 Termination for Default or Nonperformance. Except as provided in Paragraph 4.4 hereof, should either party be in breach of or default under this Agreement for the non-performance of a material obligation of such party hereunder, or for a material violation of a representation or warranty by such party contained in this Agreement, this Agreement may be terminated by the non-defaulting party if such breach, default, or non-performance shall have continued uncured for a period of thirty (30) days following the receipt by the defaulting party of written notice from the non-defaulting party, which notice shall indicate the nature of such breach, default, or non-performance; provided, however, that there shall be a final accounting of monies due but unpaid under this Agreement; and, provided, further, that if such termination shall have been due to the breach, default, or non-performance on the part of Licensee under this Agreement, Broker shall be entitled to the payment by Licensee of Damages, as defined in Paragraph 4.6 hereof. In the event that such termination shall have been due to the breach, default, or non-performance on the part of Broker under this Agreement, Licensee shall be entitled to the payment by Broker to Licensee, as Licensee's sole and exclusive remedy for such breach, default, or non-performance, representing Licensee's liquidated damages for such breach, default, or non-performance on the part of Broker, and not a penalty, of an amount equal to One Hundred Thousand Dollars (\$100,000), it being hereby acknowledged by Licensee and Broker that the injury that would be caused to Licensee by such breach, default, or non-performance on the part of Broker would be difficult if not impossible to estimate with any degree of certainty and that the above-specified amount represents Broker's good-faith undertaking to compensate Licensee fully and fairly for such injury and to liquidate Licensee's damages therefor.

4.6 Damages.

(a) For purposes of Paragraphs 4.4, 4.5, and 6.1 hereof, "Damages"

means an amount, in the aggregate, equal to the funds expended or committed to be expended by Broker in each of the categories enumerated in the following Clauses (1) through (6), and "Damages" shall include "Liquidated Damages" as provided in Subparagraph (b) hereof:

(1) the full value of all programming agreements assumed and entered into by Broker for purposes of providing programming to be broadcast on the Station, which Broker shall own or for which Broker shall be financially responsible at the time of the termination of this Agreement, less any consideration received by Broker as a consequence of Broker's good-faith efforts to sell or to assign such agreements;

(2) the full value of all employee severance and employee benefits that Broker, in its discretion, shall provide to employees of Broker whose services would not be required in the absence of this Agreement;

(3) the full value of any contracts with third parties, which could not be performed owing to the termination of this Agreement, for goods provided or to be provided or for services rendered or to be rendered in connection with programming provided or to be provided to the Station, including, without limitation, producers, advertising salespeople, technicians, engineers, and any other independent contractors whose goods or services would not be required in the absence of this Agreement;

(4) the full value of all out-of-pocket expenses incurred by Broker in order to promote the Station or to position the Station in the marketplace;

(5) the full value of all assets acquired by Broker for the purpose of implementing this Agreement and of all capital expenses paid or incurred by Broker in connection with this Agreement, less any consideration received by Broker as a consequence of Broker's good-faith efforts to sell any such assets; and

(6) all corporate, legal, administrative, professional, and brokerage expenses relating in any way to this Agreement.

(b) Licensee and Broker hereby acknowledge that the injury that would be caused to Broker as the result of a termination of this Agreement prior to its

expiration, other than a termination as the result of Broker's breach of or default in its obligations under this Agreement, would be difficult if not impossible to estimate with any degree of certainty. Therefore, with the intention of establishing a reasonable estimate of the value of such injury to Broker and liquidating the damages to Broker for such injury in the amount of such estimate, and not for the purpose of establishing a penalty, Licensee and Broker hereby agree that in the event of a termination of this Agreement prior to its expiration, other than a termination as the result of Broker's breach of or default in its obligations under this Agreement and other than a termination resulting from Licensee giving twelve months advance written notice to Broker as provided in Section 4.3, Licensee shall pay to Broker, in addition to the amounts specified in Clauses (1) through (6) of Subparagraph (a) hereof, as liquidated damages ("Liquidated Damages"), the sum of One Hundred Thousand Dollars (\$100,000).

(c) In the event of a termination of this Agreement pursuant to Paragraphs 4.4, 4.5, or 6.1 hereof, and in the event that Licensee shall disagree with Broker's computation of Damages under Clauses (1) through (6) of Subparagraph 4.6(a) hereof, Broker shall submit its computation of Damages to a recognized certified public accounting firm acceptable to Licensee for independent auditing and verification. Within fifteen (15) days of such firm's verification of Damages, Licensee agrees to tender payment of all verified Damages to Broker. The responsibility for the fees and expenses of the certified public accounting firm shall be borne exclusively by Licensee.

(d) If any category of Damages shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remainder of the categories of Damages shall not be affected thereby, and Broker and Licensee shall use their best efforts to negotiate a replacement category of Damages for the category held to be invalid, illegal, or unenforceable that shall not be invalid, illegal, or unenforceable.

**4.7 Effect of Termination on Option.** Notwithstanding any other provision of this Agreement, Licensee and Broker understand and agree that the termination of this Agreement for any reason other than the consummation of the sale of the Station from Licensee to Broker shall not terminate the Option provided in Article VIII.

## **ARTICLE V** **ASSIGNABILITY**

5.1 Assignability. This Agreement shall inure to the benefit of and be binding upon Licensee, Broker, and their respective successors and permitted assigns; provided, however, that Licensee shall not assign or transfer its rights and benefits, nor delegate its duties and obligations, under this Agreement without the prior written consent of Broker. In the event Licensee sells the Station or any interest in the Station to a party who does not assume this Agreement, then this Agreement shall terminate as to such party and such party shall pay Broker Damages as provided in Paragraph 4.6. Broker may assign or transfer its rights and benefits, and delegate its duties and obligations, under this Agreement to an affiliate of Broker or another entity in which Thomas Galloway has an ownership interest after notice to, but without the written consent of, Licensee or to another party with notice to and the written consent of Licensee. Broker may collaterally assign its rights under this Agreement to its lender as security for the obligations of Broker to lender without Licensee's consent.

## **ARTICLE VI** **REGULATORY MATTERS**

6.1 Renegotiation Upon FCC Action. If the FCC shall determine that this Agreement is inconsistent with Licensee's obligations as the holder of the FCC's authorization for the Station, or is otherwise contrary to FCC policies, rules, and regulations, or if regulatory or legislative action subsequent to the date hereof shall alter the permissibility of this Agreement under the Act or under the FCC's rules, regulations, and policies, the parties shall renegotiate this Agreement in good faith and shall modify this Agreement in a manner that will cure the departure from statute, rule, regulation, or policy and that will maintain a balance of benefits and burdens to Broker and Licensee comparable to the balance of benefits and burdens to Broker and Licensee provided in this Agreement in its current form. If, after such good-faith negotiations, either party shall determine that modifying this Agreement in order to cure the departure from statute, rule, regulation, or policy without materially changing the balance of benefits and burdens to Licensee and Broker provided in this Agreement in its current form shall

not be possible, either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party. Such termination shall extinguish the rights and liabilities of Broker and Licensee under this Agreement from and after the effective date of such termination, other than rights and liabilities for pre-termination breaches of or defaults under this Agreement; provided, however, that in the event of a termination under this Section 6.1, there shall be a final accounting of monies due but unpaid under this Agreement, including Damages owing to Broker pursuant to Paragraph 4.6 hereof.

6.2 FCC Matters. Should a change in FCC policy or rules make it necessary to obtain the FCC's consent to the implementation, continuation, or further effectuation of any element of this Agreement, Licensee and Broker shall use their best efforts diligently to prepare, file, and prosecute before the FCC all petitions, waiver requests, applications, amendments, rulemaking comments, and other documents necessary to secure and/or to retain the FCC's approval of all aspects of this Agreement. Broker shall bear the reasonable cost of preparing any such filings. Notwithstanding anything in this Agreement to the contrary, no joint filing shall be made with the FCC by Licensee and Broker with respect to this Agreement, unless both parties hereto shall have reviewed said filing and shall have consented to its submission to the FCC; and neither Licensee nor Broker shall make any unilateral filing with the FCC with respect to this Agreement, unless the party intending to make such filing shall first have consulted with the other party concerning such filing.

## **ARTICLE VII**

### **REPRESENTATIONS, WARRANTIES, AND COVENANTS**

7.1 Licensee's Representations and Warranties. Licensee represents and warrants to Broker as follows:

(a) Capacity. Licensee is a corporation duly organized and validly existing under the laws of the State of Delaware, is, and shall be, qualified to do business in every other state in which it operates, and has and shall have full power and authority to own its property, licenses, and permits, and to execute, deliver and carry out all of the transactions contemplated by this Agreement.

(b) Compliance with Law. Licensee has complied with and will



continue to comply with all laws, rules, and regulations governing the business, ownership, and operations of the Station that are material in any way to this Agreement. No attendant contracts and undertakings, nor the carrying out of this Agreement, will result in any violation of or be in conflict with any judgment, decree, order, statute, law, rule, or regulation of any governmental authority applicable to Licensee, or any contract, agreement, lease, license, permit, franchise, or indenture applicable to Licensee or the Station.

(c) Authority. All requisite authorizations necessary for the execution, delivery, performance, and satisfaction of this Agreement by Licensee have been duly obtained, adopted, and complied with and shall remain in full force and effect at all times during the effectiveness of this Agreement.

(d) Misrepresentation of Material Fact. No representation or warranty made by Licensee to Broker in this Agreement, no document or contract disclosed to Broker by Licensee pursuant to this Agreement and which in any way affects any of the properties, assets, or business of Licensee as related to this Agreement, and no certificate or statement furnished by or on behalf of Licensee to Broker in connection with the transactions contemplated herein or therein contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

(e) Authorizations in Good Standing. Licensee's permits, licenses, and all related authorizations for the Station are and shall be in full force and effect and unimpaired by any acts or omissions of Licensee, its employees, or its agents; and there shall be no complaint, condition, event, defect, or occurrence existing or, to the knowledge of Licensee, threatened against said permits, licenses, or authorizations that would materially threaten their retention or renewability.

(f) Binding Agreement. This Agreement constitutes the legal, valid and binding obligation of Licensee, enforceable against it in accordance with its terms (except as enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditor's rights generally and by judicial discretion in the enforcement of equitable remedies).

(g) Required Consent. Except that FCC consent will be required prior to the consummation of the sale of the Station pursuant to the Option, the execution, delivery and performance of this Agreement (i) does not require the consent of any governmental or regulatory authority or any third party; (ii) will not conflict with or result in a breach of, or default under, the articles of incorporation or by-laws or any law, judgment, ordinance, decree, rule or regulation of any governmental entity, any contract or other obligation of Licensee.

(h) No Claims or Litigation. Except for rulemaking proceedings affecting the broadcast industry generally, there is no claim, legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any decree, order or judgment, pending, in progress or, to the knowledge of Licensee, threatened against it which might affect the Station, this Agreement or its ability to comply with its representations and obligations hereunder.

(i) Qualifications. Licensee is not aware of any fact which would disqualify it from completing the transactions contemplated hereunder.

7.2 Broker's Representations and Warranties. Broker represents and warrants to Licensee as follows:

(a) Capacity. Broker is a corporation duly organized and validly existing under the laws of the State of Delaware, and has full power and authority to own its property, licenses, and permits, and to execute, deliver and carry out all of the transactions contemplated by this Agreement.

(b) Authority. All corporate actions necessary for the execution, delivery, performance, and satisfaction of this Agreement by Broker have been duly obtained, adopted, and complied with.

(c) Misrepresentation of Material Fact. No representation or warranty made by Broker to Licensee in this Agreement, no document or contract disclosed to Licensee by Broker pursuant to this Agreement and which in any way affects any of the properties, assets, or business of Broker as related to this Agreement, and no certificate or statement furnished by or on behalf of Broker to Licensee in connection with the transactions contemplated herein or therein contains or will contain any untrue

statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading.

(d) Binding Agreement. This Agreement constitutes the legal, valid and binding obligation of Broker, enforceable against it in accordance with its terms (except as enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditor's rights generally and by judicial discretion in the enforcement of equitable remedies).

(e) Required Consent. Except that FCC consent will be required prior to the consummation of the sale of the Station pursuant to the Option, the execution, delivery and performance of this Agreement (i) does not require the consent of any governmental or regulatory authority or any third party; (ii) will not conflict with or result in a breach of, or default under, the articles of incorporation or by-laws or any law, judgment, ordinance, decree, rule or regulation of any governmental entity, any contract or other obligation of Broker.

(f) No Claims or Litigation. Except for rulemaking proceedings affecting the broadcast industry generally, there is no claim, legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any decree, order or judgment, pending, in progress or, to the knowledge of Broker, threatened against it which might affect this Agreement or Broker's ability to comply with its representations and obligations hereunder.

(g) Qualifications. Broker is not aware of any fact which would disqualify it from completing the transactions contemplated hereunder.

7.3 Licensee's Affirmative Covenant. Licensee covenants and agrees that it will fully comply with all applicable federal, state, and local laws, rules, and regulations (including, without limitation, all FCC rules, policies, and regulations) and pertinent provisions of all contracts, permits, and agreements to which Licensee is a party or by which Licensee is otherwise bound.

7.4 Broker's Affirmative Covenant. Broker covenants and agrees that it will fully comply with all applicable federal, state, and local laws, rules, and regulations (including, without limitation, all FCC rules, policies, and regulations) in the provision of

the Brokered Programming to Licensee.

## **ARTICLE VIII**

### **OPTION TO PURCHASE STATION**

8.1 Option to Purchase. As additional consideration for this Agreement, Licensee hereby grants Broker an exclusive, irrevocable option to acquire from Licensee on the Closing Date (as said term is defined in the definitive asset purchase agreement, in form and substance substantially similar to the agreement attached hereto as Exhibit E, to be executed by the parties as soon as practicable after Broker's exercise of the Option) all of the tangible and intangible assets used or useful in the operation of the Station (a list of the included and excluded assets is attached hereto as Exhibit F), and, subject to the approval of the FCC, all of the licenses, permits, or other authorizations issued to Licensee for the Station. The assets shall be free and clear of any liabilities, liens, security interests, pledges, conditions, or encumbrances.

8.2 Option Price. As consideration for the Option granted herein and as additional consideration for this Agreement generally, upon the execution of this Agreement, Broker shall pay to Licensee One Dollar (the "Option Price"). The Option Price shall be non-refundable under any circumstances. In the event Broker or its permitted successors or assigns exercises the Option, the Option Price shall be credited against the Purchase Price for the Station due from Broker at the consummation of the sale.

8.3 Exercise of Option and Purchase Price. The Option may be exercised by Broker at any time upon ten (10) days written notice of exercise delivered to Licensee. Under said Option, Broker may purchase the assets of the Station for Eleven Million and 00/100 Dollars (\$11,000,000.00) (the "Purchase Price"). The Purchase Price shall be paid to Licensee in cash on the Closing Date or by cancellation of the outstanding balance under that certain Loan Agreement, dated like date herewith even if such outstanding balance is less than the Purchase Price. As soon as practicable after the execution of the definitive purchase agreement for the Station, the parties agree to cooperate in the preparation, filing and prosecution of applications to assign the Station's FCC licenses, permits and other authorizations to Broker ("Assignment Applications").

The Option provided for herein shall remain in full force and effect on the same terms and conditions until the consummation of an FCC approved assignment of the Station or transfer of control of Licensee to Broker or its permitted assignee.

**ARTICLE IX**  
**MISCELLANEOUS**

9.1 Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, neither party shall be liable to the other party for a failure to perform any obligation under this Agreement (nor shall any charges or payments be made in respect thereof), if such party shall be prevented from such performance by reason of fires, strikes, labor unrest, embargoes, civil commotion, rationing, or other orders or requirements, acts of civil or military authorities, acts of God, or other contingencies beyond the reasonable control of the parties, including equipment failures; and all provisions herein requiring performance within a specified period shall be deemed to have been modified in order to toll or to extend the period in which such performance shall be required, in order to accommodate the period of the pendency of such contingency which shall prevent such performance.

9.2 Trademarks. Licensee hereby grants to Broker an unlimited license to use any and all trademarks, service marks, patents, trade names, jingles, slogans, logotypes, logograms, and other intangible assets and rights owned and used or held for use by Licensee in conjunction with the Station, including, but not limited to the call letters "KADN". Licensee agrees to execute such additional documentation as may be necessary or desirable in order to effectuate the license granted under this Paragraph.

9.3 Notices. All notices, requests, demands, and other communications that are required or that may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been given when delivered by hand, or on the day immediately following the date when deposited (with delivery charges pre-paid) with a nationally-recognized overnight courier service, or when sent by facsimile transmission with voice or written confirmation of receipt, or on the third (3rd) business day after having been mailed by first-class United States mail, registered or certified, postage pre-paid, with return receipt requested, to the following addresses:

(a) if to Broker:  
Comcorp of Louisiana, Inc.  
413 Travis Street, Ste 100  
Lafayette, LA 70503  
Attention: Thomas R. Galloway, Sr.  
Telephone: 318-237-1142  
Telecopier: 318-237-1373

with a copy to (which shall not constitute notice to Broker):

Fletcher Heald & Hildreth, PLC  
1300 N. 17th Street, Suite 1100  
Rosslyn, VA 22209  
Attention: Vincent J. Curtis, Jr., Esquire  
Telephone: 703-812-0400  
Telecopier: 703-812-0486

(b) if to Licensee:

KADN-15, Inc.  
3501 Northwest Evangeline Throughway  
Carencro, LA 70520  
Attention: Charles Chatelain  
Telephone: (318) 237-1600  
Telecopier: (318) 237-2603

with copies to (which shall not constitute notice to Licensee):

Fletcher Heald & Hildreth, PLC  
1300 N. 17th Street, Suite 1100  
Rosslyn, VA 22209  
Attention: Howard M. Weiss, Esquire  
Telephone: 703-812-0400  
Telecopier: 703-812-0486

Chris A. Verret, Esquire  
1116-G Coolidge Blvd  
Lafayette, LA 70503  
Telephone: (318) 237-4600  
Telecopier: (318) 237-5511

or to such other address as any party shall have designated by notice to the other party conforming to the requirements of this Paragraph.

9.4 Duty to Consult. Each party will use its best efforts not to take any action that would unreasonably interfere with, threaten, or frustrate the other party's purposes or business activities, and each party will keep such other party informed of, and will coordinate with such other party regarding, any activities that may have a material effect upon such other party.

9.5 Press Releases. Except as may be required by law or by any governmental agency, no announcement to the press or to any third party of the transactions contemplated herein shall be made by either party to this Agreement, unless such announcement shall have been approved in advance in writing by both Broker and Licensee.

9.6 Severability. Subject to Paragraph 6.1 hereof, if any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remainder of this Agreement shall not be affected thereby, and the parties shall use their best efforts to negotiate a replacement for any such provision that shall be neither invalid, illegal, or unenforceable.

9.7 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior representations, negotiations, agreements, and understandings of the parties, oral and written, with respect to the subject matter hereof, all of which are deemed to have been merged herein. This Agreement may be modified only by an agreement in writing executed by both of the parties hereto.

9.8 Survival. All representations, warranties, covenants, and agreements made herein by the parties hereto or in any certificate delivered or to be delivered hereunder or made or to be made in writing in connection with the transactions contemplated herein shall survive the execution and delivery of this Agreement. All such representations and warranties shall survive for a period of three (3) years from and after the date upon which this Agreement shall expire or shall be terminated, as herein provided.

9.9 Payment of Expenses. Except as otherwise specifically provided herein, Licensee and Broker shall each pay its own expenses incident to the preparation

and carrying out of this Agreement, including all fees and expenses of its counsel.

9.10 Further Assurances. From time to time after the date of this agreement, the parties shall take such further actions and shall execute such further documents, assurances, and certificates, as either party reasonably may request of the other party in order to effectuate the purposes of this agreement. Licensee shall cooperate with Broker in asserting Syndicated Exclusivity and Network Non-Duplication rights, as applicable, as provided in the FCC rules.

9.11 Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one (1) and the same instrument.

9.12 Headings. The headings in this Agreement are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

9.13 Dealings with Third Parties. Neither party is, nor shall hold itself out to others to be, vested with any power, authority, or right to bind contractually or to act on behalf of the other party as its broker, agent, or otherwise for the purpose of committing, selling, conveying, or transferring any of the other party's assets or property, contracting for or in the name of the other party, or making any representations binding upon such other party.

9.14 Indemnification.

(a) Each party shall forever, to the fullest extent permitted by law, protect, save, defend, and keep the other party harmless, and indemnify such other party from and against, all claims, demands, causes of action, losses, investigations, proceedings, penalties, fines, expenses, and judgments, including reasonable attorney's fees and costs, arising directly or indirectly out of such party's negligence or willful misconduct or the negligence or willful misconduct of such party's agents or employees in connection with this Agreement, or arising out of such party's breach of or default or non-performance of its representations, warranties, covenants, agreements, and obligations under this Agreement.

(b) Broker shall forever, to the fullest extent permitted by law,



protect, save, defend, and keep Licensee and its employees and agents harmless, and indemnify it from and against, any and all losses, damages, liabilities, or expenses, including reasonable attorney's fees, resulting from any claim of libel, slander, defamation, copyright infringement, idea misappropriation, invasion of right of privacy or publicity, or any other claim against Licensee arising out of the Brokered Programming; provided, however, that Licensee shall give Broker prompt notice of any claim against Licensee or the Station and shall cooperate in good faith with Broker in any attempt to defend against, resolve, or settle such claim. The indemnification provided in this Subparagraph shall not apply to any matter that Licensee may insert in or adjacent to the Brokered Programming.

(c) Licensee shall forever, to the fullest extent permitted by law, protect, save, defend, and keep Broker and its employees and agents harmless, and indemnify it from and against, any and all losses, damages, liabilities, or expenses, including reasonable attorney's fees, resulting from any claim of libel, slander, defamation, copyright infringement, idea misappropriation, invasion of right of privacy or publicity, or any other claim against Broker arising out of the Licensee Programming and for any claim arising out of the operations of the Station prior to the Commencement Date; provided, however, that Broker shall give Licensee prompt notice of any claim against Broker or the Station and shall cooperate in good faith with Licensee in any attempt to defend against, resolve, or settle such claim.

9.15 Governing Law. This Agreement shall be governed by, and enforced and construed under and in accordance with, the internal laws of the State of Louisiana, without giving effect to the choice-of-law principles of said State.


9.16 Gender Neutrality. All pronouns and possessives appearing in this Agreement shall be deemed to refer to the masculine, the feminine, or the neuter, as the identity of the person or entity thereby referred to may require.

[INTENTIONALLY LEFT BLANK]

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

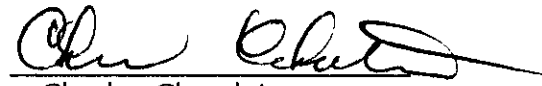
**BROKER:**

COMCORP OF LOUISIANA, INC.

By:   
Thomas R. Galloway, Jr.  
President Chief Executive Officer

**LICENSEE:**

KADN-15, INC.

By:   
Charles Chatelain  
President

\*

**EXHIBIT A**  
**BROADCAST STATION PROGRAMMING POLICY STATEMENT**

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

I. No Plugola or Payola. Except for commercial material aired in compliance with 47 C.F.R. § 73.1212, Broker shall not receive any consideration in money, goods, services, or otherwise, directly or indirectly (including receipt by relatives of Broker, its partners, agents, or employees) from any person or company for the presentation of any programming over the Station, without reporting the same to Licensee's General Manager. The commercial mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message or program of a sponsor, is prohibited.

II. No Lotteries. Announcements giving any information about lotteries or games, to the extent that such announcements are prohibited by federal or state law or regulation, are prohibited.

III. Election Procedures. At least fifteen (15) days before the start of any primary or general election campaign, Broker will clear with Licensee's General Manager the rates that Broker will charge for advertising time to be sold on the Station to legally-qualified candidates for election to public office and/or to their supporters, in order to make certain that the rates charged are in conformance with applicable law and Station policy.

IV. Required Announcements. Broker shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning and at the end of each day's transmissions by the Station, and at the beginning of each hour during the Station's operations, to identify the Station, and (ii) any other announcements that may be required by law, regulation, or Licensee policy.

V. No Illegal Announcements. No announcements or promotion prohibited by federal or state law or regulation shall be made over the Station. Any game, contest, or promotion relating to or to be presented over the Station must be fully stated and explained in advance to Licensee, who reserves the right in its sole discretion to reject any game, contest, or promotion.

VI. Licensee Discretion Paramount. In accordance with Licensee's responsibility under the Act and the rules and regulations of the FCC, Licensee reserves the right to reject or to terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which in Licensee's or its General Manager's sole judgment would not serve the public interest.

Licensee may waive any of the foregoing regulations in specific instances if, in its opinion, the Station will remain in compliance with all applicable laws, rules, regulations, and policies and if broadcasting in the public interest will be served. In any case where questions of policy or interpretation arise, Broker should submit such questions to Licensee for decision before making any commitments in connection therewith.

**EXHIBIT B**  
**FORM OF PAYOLA AFFIDAVIT**

**ANTI-PAYOLA/PLUGOLA AFFIDAVIT**

\_\_\_\_\_, being first duly sworn, deposes and says as follows:

1. He/she is \_\_\_\_\_  
[title]
2. He/she has acted in the above capacity since \_\_\_\_\_.
3. No matter has been broadcast by Station KADN for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by him/her from any person, which matter at the time so broadcast has not been announced or otherwise indicated as having been paid for or furnished by such person.
4. So far as \_\_\_\_\_ is aware, no matter has been broadcast by Station KADN for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by Station KADN, or by an independent contractor engaged by Station KADN in furnishing programs, from any person, which matter at the time so broadcast has not been announced or otherwise indicated as having been paid for or furnished by such person.

\_\_\_\_\_  
Affiant

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

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

My Commission expires \_\_\_\_\_.

**EXHIBIT C**  
**ANNUAL EXPENSE BUDGET 1997**

**STATION**

Manager/Engineer ✓	\$ _____
Receptionist ✓	\$ _____
Tower Site Rent -	\$ _____
Studio Rent -	\$ _____
Transmitter Lease -	\$ _____
Vehicle Leases ✓	\$ _____
Copy Machine Lease ~	\$ _____
Computer Maint. -	\$ _____
Cleaning Service -	\$ _____
Insurance-General ✓	\$ _____
Post Office Rent	\$ _____
Property Taxes ✓	\$ _____
Postage	\$ _____
Legal-FCC ✓	\$ _____
Bank Fees	\$ _____
Accounting ✓	\$ _____
Employee Benefits ✓	\$ _____
Payroll Taxes ✓	\$ _____
Spectrum Fee ✓	\$ _____
Copyright Fees -	\$ _____
Debt service on loan ✓	\$ _____
Other	\$ _____
<b>Total</b>	<b>\$ _____</b>

**EXHIBIT D**  
**TIME BROKERAGE FEE**

Broker shall reimburse Licensee for all of its expenses arising directly out of the operations of the Station within five (5) business days of the receipt from Licensee of documented evidence of the expense to be reimbursed.