

TIME BROKERAGE AGREEMENT

by and between

AFFILIATED MEDIA, INC. FCC TRUST

and

GRAHAM NEWSPAPERS, INC.

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TIME BROKERAGE AGREEMENT

This **Time Brokerage Agreement** (this “Agreement”) is made as of the ____ day of _____, 2009, by and between **Affiliated Media, Inc. FCC Trust** (“Licensee”) and **Graham Newspapers, Inc.** (“Time Broker”).

Background

Licensee holds the license and related authorizations issued by the Federal Communications Commission (“FCC”) for the operation of the radio broadcast stations listed in Exhibit A (each, a “Station”, and collectively, the “Stations”).

Licensee and Time Broker are entering into this Agreement providing for Time Broker to provide certain programming and operational services to Licensee for substantially all of the broadcast time of the Stations, subject to all applicable federal, state, and local laws, rules, regulations and policies, including without limitation the Communications Act of 1934, as amended (the “Communications Act”) and the rules, regulations, and policies of the FCC, as modified from time to time (collectively, “Applicable Law”).

Time Broker previously was the licensee of the Stations’ FCC licenses and related authorizations and this Agreement is being entered into in connection with the Bankruptcy Court Approval and as contemplated by the Prepackaged Plan of Reorganization of Affiliated Media, Inc. (“AMI”), the parent company of Time Broker, filed by AMI pursuant to a chapter 11 proceeding in the United States Bankruptcy Court for the District of Delaware.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Affiliated Media, Inc. FCC Trust Agreement, dated as of _____, 2010, among AMI and the FCC Trustees, as defined therein (the “FCC Trust Agreement”).

Accordingly, in consideration of the foregoing and of the mutual promises, covenants, and conditions set forth below, the parties agree as follows:

1. SALE OF TIME.

1.1 **Broadcast of Programming.** Effective as of the Commencement Date (as defined below), Licensee shall cause to be broadcast on the Stations, programs which are presented to it by Time Broker as described in greater detail in **Schedule 1.1** (the “Programming”). This Agreement shall become effective on the date (the “Commencement Date”) of the consummation of the assignment of the FCC Trust Assets associated with the Stations to the Licensee.

1.2 **Term.** The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with **Section 9** hereof (including any extension elected pursuant to Section 9.2(c), the “Term”).

2. **PROGRAMMING AND OPERATING STANDARDS AND PRACTICES.**

2.1 **Compliance with Standards.** All Programming delivered by Time Broker and all other material furnished by Time Broker for broadcast on the Stations (together with the Programming, the “Broadcast Material”) shall comply, and shall ensure that each Station complies, with Applicable Law. Time Broker shall maintain records adequate to demonstrate such compliance and shall prepare and timely deliver to Licensee, in a form suitable for placement in Licensee’s public files, all reports and certifications necessary to demonstrate compliance with such requirements. Licensee shall have the right to preempt any Broadcast Material to present program material of greater local or national importance. Licensee may reject any Broadcast Material if Licensee reasonably determines that the broadcast of such material would violate Applicable Laws or would otherwise be contrary to the public interest. Licensee shall promptly notify Time Broker of any such rejection, preemption, or rescheduling and shall cooperate with Time Broker in efforts to fulfill commitments to advertisers and syndicators. **Schedule 2.1** sets forth Licensee’s statement of policy (the “Policy Statement”) with regard to Broadcast Material. Time Broker shall ensure that all Broadcast Material is in accordance with this Agreement and Licensee’s Policy Statement. Licensee reserves the right to refuse to broadcast any Programming containing matter which Licensee believes is not in the public interest or may violate any right of any third party or which Licensee reasonably determines is, or in the reasonable opinion of Licensee may be deemed to be, indecent (and not broadcast during the safe harbor for indecent programming established by the FCC) or obscene under the standards established by the FCC or any court or other regulatory body with authority over Licensee or the Station. If Time Broker does not adhere to the foregoing requirements, Licensee may suspend or cancel any specific program not so in compliance. Time Broker shall provide a continuous programming feed to each Station seven days each week, for 24 hours each day.

2.2 **Political Broadcasts.** Time Broker shall maintain and deliver to Licensee all records and information required by the FCC to be placed in the public inspection file of each Station pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1943 and 73.3526 of the FCC’s rules. Time Broker shall consult and cooperate with Licensee and adhere to Applicable Law with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to “equal opportunities” and the right of federal candidates to “reasonable access”) and the charges permitted therefor. Time Broker shall promptly provide to Licensee such documentation relating to such programming as Licensee is required to maintain in its public inspection files or Licensee shall reasonably request.

2.3 **Handling of Communications.** Time Broker and Licensee shall cooperate in promptly responding to all mail, cables, telegrams or telephone calls directed to each Station in connection with Broadcast Material provided by Time Broker or any other matter relevant to its responsibilities hereunder. Time Broker shall provide copies of all such correspondence to Licensee. Promptly upon receipt, Time Broker shall advise Licensee of any public or FCC complaint or inquiry known to Time Broker or Licensee, respectively, concerning such Broadcast Material, and each shall provide the other with copies of any letters from the public, including complaints concerning such Broadcast Material. Upon Licensee’s request, Time Broker shall broadcast material responsive to such complaints and inquiries.

Notwithstanding the foregoing, Licensee shall handle all matters or inquiries relating to FCC complaints and any other matters required to be handled by Licensee under the rules and regulations of the FCC.

2.4 **Preemption.** Licensee may, from time to time, preempt portions of the Programming to broadcast emergency information or other non-entertainment programs it deems would better serve the public interest. Time Broker shall be notified at least one week in advance of any preemption of any of the Programming for the purpose of broadcasting programs Licensee deems necessary to serve the public interest unless such advance notice is impossible or impractical, in which case Licensee shall notify Time Broker promptly upon making such determination. Licensee covenants and agrees that preemption shall only occur to the extent Licensee deems preemption necessary to carry out its obligations as an FCC licensee, and expressly agrees that its right of preemption shall not be exercised in an arbitrary manner or solely for the commercial advantage of Licensee or others. Time Broker acknowledges and agrees that Licensee may interrupt the transmissions of any Station for periodic maintenance and repairs. To the extent feasible, Licensee shall coordinate with Time Broker so that down-time for periodic or necessary maintenance shall take place at hours of limited viewing.

2.5 **“Payola” and “Plugola.”** Time Broker agrees that it will take steps, including the procurement periodically of executed affidavits from personnel involved with the content of its Programming, reasonably designed to ensure that neither it nor its employees or agents will accept any gift, gratuity or other consideration, directly or indirectly, from any person or entity for the presentation of any programming or the broadcast of any commercial announcement over any Station without such broadcast being announced as sponsored. It is further understood and agreed that no commercial message, plugs, or undue reference shall be made in programming presented over any Station to any business venture, profit-making activity or other interest (other than non-commercial announcements provided without charge or other consideration for bona fide charities, church activities or other public service activities) without such broadcast being announced as sponsored and paid for, in accordance with Applicable Law, including without limitation applicable FCC rules and policies.

2.6 **Advertising and Programming.** Beginning on the Commencement Date, Time Broker shall be solely responsible and pay for any expenses incurred in connection with Time Broker’s sale of advertising or program time on the Stations and shall be entitled to all revenue from the sale of all forms of national, regional, and local spot advertising, sponsorships, direct response advertising, paid programming, including infomercials, and all long-form advertising broadcast on the Stations and all advertising on any Internet site maintained by or on behalf of the Stations on or after the Commencement Date and during the Term (the “Advertisements”). Time Broker shall maintain each Station’s present website and shall be entitled to sell and place advertising on each Station’s website, provided that Time Broker shall cause each Station’s website to include all content necessary or appropriate for Licensee to comply with Applicable Law, including, without limitation, FCC rules relating to the availability of information on websites maintained by broadcast licensees. Time Broker shall assume any obligation of Licensee under any contract or advertising arrangement entered into by Licensee on or after the Commencement Date except as provided in this Agreement.

2.7 Trade and Barter Spots. Time Broker shall honor all contracts for the sale of advertising time on the Stations for non-cash consideration that are in effect as of and will extend beyond the Commencement Date (“Trade Agreements”), if and to the extent that Trade Agreement spots may be broadcast on a preemptible basis. After the Commencement Date, Time Broker shall have the right to enter into new contracts for the sale of Advertisements for non-cash consideration, provided that the parties agree to each such Trade Agreement. The parties shall mutually agree as to the use of the non-cash consideration received for each new Trade Agreement. For purposes of this **Section 2.7**, the term Trade Agreement applies only to the bartering of advertising in return for goods and services other than programming.

2.8 Accounts Receivable. Time Broker shall be entitled to retain all revenues collected pursuant to the rights of Licensee and/or any Station to payment of cash for the sale of advertising and other goods and services arising exclusively out of the business of any Station on or prior to the Commencement Date (“Licensee Accounts Receivable”), less commissions owed on the Licensee Accounts Receivable, and shall be responsible for collecting the Licensee Accounts Receivable and for the payment of any commissions owed thereon.

2.9 Control. Notwithstanding anything to the contrary in this Agreement, Licensee and Time Broker acknowledge and agree that during the Term, Licensee will maintain ultimate control and authority over the facilities of the Stations, including specifically control and authority over each Station’s operations, including finances, personnel, and programming. Time Broker shall not represent, warrant or hold itself out as any Station’s licensee, and all sales material prepared by Time Broker for the sale of advertising time on the Stations shall identify Licensee as the licensee of the Stations using mutually agreeable wording and references. Time Broker shall sell Advertising and enter into all agreements for the sale of time on the Stations and for the Programming in its own name.

2.10 Technical Services.

(a) Beginning as soon as reasonably practicable following the Commencement Date, Time Broker shall perform monitoring and maintenance of each Station’s technical equipment and facilities and shall assist Licensee with the installation, repair, maintenance and replacement of each Station’s equipment and facilities; provided, however, subject to reimbursement to the extent provided in **Schedule 3.3**, Licensee shall be responsible for each Station’s capital and equipment replacement expenditures.

(b) Beginning as soon as reasonably practicable following the Commencement Date, Time Broker shall make available to Licensee, on an independent contractor basis, one staff engineer employed by Time Broker for each Station, to assist each Station’s chief operator in fulfilling his duties as specified by the rules and regulations of the FCC.

2.11 Compliance with Laws. At all times during the Term, Time Broker and Licensee shall comply in all material respects with all applicable federal, state and local laws, rules and regulations.

3. **RESPONSIBILITY FOR EMPLOYEES AND EXPENSES.**

3.1 **Licensee's Employees.** Licensee shall employ and be responsible for the payment of salaries, taxes, insurance, and all other costs related to Licensee's employees at each Station. Licensee shall maintain the level of staffing at each Station's main studio required by the FCC's rules with employees of Licensee, but shall not be required under this Agreement to maintain more than the minimum staff levels necessary to comply with the FCC's rules.

3.2 **Time Broker's Expenses.** Time Broker shall pay for all costs associated with the production and delivery of the Programming and the performance of its other duties and obligations hereunder, including but not limited to, (i) all ASCAP, BMI, SESAC and other copyright fees associated with delivery of the Programming, (ii) any expenses incurred in connection with its sale of advertising time hereunder (including without limitation sales commissions or other charges) in connection with the Programming, and (iii) the salaries, taxes, insurance, and related costs for all personnel used in the production of the Programming and any sales personnel (including any salespeople, traffic personnel, and programming staff employed) by Time Broker.

3.3 **Operating Expenses.** Licensee shall be responsible for the payment when due of all fees and expenses relating to the operation and maintenance of each Station as necessary to maintain the licensed transmitting capability of each Station and to fulfill Licensee's obligations as an FCC licensee. Time Broker shall timely reimburse Licensee for such expenses as provided in **Schedule 3.3** hereof, such payment to be due no later than five (5) business days following Time Broker's receipt of an invoice from Licensee describing the expenses paid by Licensee.

3.4 **Performance of Licensee's Contracts.** On and after the Commencement Date, Time Broker shall perform in accordance with the terms thereof, the existing contracts and agreements for services and products used in the business and operations of each Station and shall either (i) make timely payments of amounts owing on such contracts and agreements directly to the vendor or service provider or (ii) reimburse Licensee no later than five (5) business days following Time Broker's receipt of an invoice from Licensee describing the expenses paid by Licensee in connection therewith.

4. **OPERATION OF STATIONS.**

Notwithstanding any provision of this Agreement to the contrary, Licensee shall retain ultimate authority and power with respect to the operation of each Station during the Term of this Agreement. The parties agree and acknowledge that Licensee's ultimate control of each Station is an essential element of the continuing validity and legality of this Agreement. Accordingly, Licensee shall retain full authority and control over the policies, finances, personnel, programming and operations of each Station, including, without limitation, the decision whether to preempt programming in accordance with **Section 2.4** hereof. Licensee shall have full responsibility for each Station's compliance with the Communications Act of 1934, as amended, and with FCC rules, regulations and policies, including, without limitation, the FCC's political programming rules. Licensee shall be responsible for maintaining each Station's public

inspection files. Time Broker promptly shall supply Licensee with documents that may come into Time Broker's possession and should be placed in a Station's public inspection file.

5. DELIVERY OF PROGRAMMING TO LICENSEE FACILITIES.

5.1 Delivery Obligations. Time Broker shall be solely responsible for, and shall pay any costs associated with, delivering a broadcast-quality feed of Time Broker's Broadcast Material to each Station's main studio location ("Licensee's Main Studios") in a form to be accepted by the Station's equipment for transmission.

5.2 Licensee's Broadcast Obligations. Notwithstanding any provision of this Agreement to the contrary, Time Broker agrees to broadcast on the Stations, at the times required, the programs that each Station is required to air pursuant to existing obligations. To the extent that Licensee receives payment for the broadcast of programming under any such existing agreements attributable to the period after the Commencement Date and during the Term of this Agreement, Licensee shall pay to Time Broker, promptly upon Licensee's receipt of payment, an amount equal to the payment received by Licensee for the broadcast of such programming to the extent such payments are attributable to the period prior to the termination date of this Agreement.

6. OTHER OBLIGATIONS OF THE PARTIES

6.1 Certain Responsibilities of Licensee. Licensee, at its expense and subject to reimbursement by Time Broker to the extent provided by **Schedule 3.3**, shall be responsible for and perform the following obligations with respect to the business and operations of the Stations during the Term, in accordance with and subject to the following:

(a) Licensee shall cause the Stations to comply with all applicable provisions of the Communications Act, the FCC's rules, and all other provisions of Applicable Law. Licensee shall file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body.

(b) Licensee shall cooperate with Time Broker to maintain in effect policies of insurance insuring the assets and the business of the Stations consistent with the coverage provided under such policies as were in existence on the day prior to the Commencement Date.

(c) Licensee shall cooperate with Time Broker to use and operate in a commercially reasonable manner, and maintain in operating condition (subject to normal wear and tear), all of the assets of the Stations. If any loss, damage, impairment, confiscation or condemnation of any of such assets occurs, Licensee shall cooperate with Time Broker to repair, replace, or restore the assets to their prior condition as soon thereafter as reasonably practicable, and Licensee shall use the proceeds of any claim under any insurance policy to repair, replace or restore assets that are lost, damaged, impaired or destroyed in respect of which such proceeds are received.

(d) Licensee shall be solely responsible for and shall directly pay in a timely manner all operating costs of the Stations (excluding those costs to be borne by Time Broker in accordance with **Sections 3.3 and 6.2**), including the cost of electricity, other utilities and rental

or other payments with respect to real property, if any, leased by Licensee, taxes, and the salaries, insurance, and other costs for all personnel employed by Licensee, subject to reimbursement for such expenses as provided in **Schedule 3.3**.

6.2 Certain Responsibilities of Time Broker. In addition to its other obligations under this Agreement, Time Broker, at its expense, shall be responsible for and pay the following:

(a) With respect to the marketing and sale of the Advertisements, Time Broker shall be solely responsible for and pay (i) all commissions to employees, agencies or representatives and other expenses incurred in its marketing and sale of the Advertisements; (ii) all expenses incurred in its performance of traffic, billing, and collections functions with respect to the Advertisements; (iii) any publicity or promotional expenses and other fees it incurred in performing its obligations under this Agreement; and (iv) all fees related to the software used for sales, traffic, billing and similar functions including any fees charged by the provider to make Time Broker's software interface in the most efficient manner with Licensee's master control equipment.

(b) Time Broker shall be solely responsible for and pay the salaries, taxes, and related costs for all personnel employed by Time Broker who are used by Time Broker in the sale of the Advertisements and the collection of accounts receivable (including salespeople, billing personnel and traffic personnel).

(c) Time Broker shall cooperate with Licensee to assist Licensee in complying with the provisions of the Communications Act regarding political advertising, including compliance with Licensee's statement disclosing political advertising rates and practices for purchasers of political advertising consistent with Applicable Law, including, without limitation, applicable FCC rules and policies. Time Broker shall supply such information promptly to Licensee as may be necessary to comply with the public inspection file, lowest unit rate, equal opportunities, and reasonable access requirements of the Communications Act. If any Station fails to meet its political time obligations under the Communications Act based on the advertising sold by Time Broker, then to the extent reasonably necessary to enable Licensee to cause any such Station to comply with its political time obligations, Time Broker shall release advertising availabilities to Licensee; provided, however, that all revenues realized by Licensee from the sale of such advertising time, net of any costs incurred by Licensee in the sale thereof shall be immediately paid to Time Broker.

6.3 Provision of Main Studio Facilities. Time Broker shall provide to employees and agents of Licensee (a) the right to unfettered access and use of space in Time Broker's facilities for Licensee's use as the Stations' main studios and (b) access to facilities and equipment necessary and sufficient to comply with Licensee's obligation to maintain the Stations' main studios in accordance with FCC rules.

6.4 Access to Information. To ensure compliance with Applicable Law, Licensee shall be entitled to review at its reasonable discretion from time to time any Advertisement or Programming that Licensee may reasonably request. Time Broker also shall maintain and deliver to each Station such records and information required by the FCC to be

placed in the public inspection file of the Stations pertaining to the sale of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC's rules, and to the sale of sponsored programming addressing political issues or controversial issues of public importance, in accordance with the provisions of Section 73.1212 of the FCC's rules. Time Broker shall furnish to Licensee upon request any other information that is reasonably necessary to enable Licensee to prepare any records or reports required by the FCC or other governmental entities.

7. INDEMNIFICATION AND SURVIVAL.

7.1 Indemnification Rights.

(a) Licensee shall indemnify and hold harmless Time Broker and its shareholders, members, directors, officers, employees, agents, and affiliates from and against any and all damages, losses, liabilities and expenses including, without limitation, reasonable attorneys' fees, arising out of or resulting from:

(i) any breach by Licensee of a representation, warranty, covenant or agreement made by it herein;

(ii) any programming produced or furnished by Licensee hereunder;

(iii) libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from any action by Licensee or programming produced or furnished by Licensee; and

(iv) the conduct of Licensee or its employees, contractors, or agents after the Commencement Date.

(b) Time Broker shall indemnify and hold harmless Licensee and its shareholders, members, directors, officers, employees, agents, and affiliates from and against any and all damages, losses, liabilities and expenses including, without limitation, reasonable attorneys' fees, arising out of or resulting from:

(i) any breach by Time Broker of a representation, warranty, covenant or agreement made by it herein;

(ii) any Broadcast Material produced or furnished by Time Broker hereunder;

(iii) libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from any action by Time Broker or Broadcast Material produced or furnished by Time Broker;

(iv) Time Broker's failure to adhere to Licensee's Policy Statement;

(v) Time Broker's provision of Broadcast Material that violates Applicable Law governing indecent and obscene programming;

(vi) the conduct of Time Broker or its employees, contractors, or agents after the Commencement Date; and

(vii) the operations of the Stations following the Commencement Date (except, in the case of this clause (vii), for any such damage, loss, liability or expense to the extent arising out of or resulting from the conduct of Licensee or its employees, contractors, or agents after the Commencement Date).

The parties' indemnification obligations hereunder shall survive any termination or expiration of this Agreement.

7.2 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties or brought by a third party, specifying in reasonable detail the factual basis for the claim, the amount thereof, estimated in good faith, and the method of computation of such claim, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such indemnification claim shall have arisen; provided, that the failure to give prompt notice shall not jeopardize the right of any Claimant to indemnification except to the extent such failure shall have materially prejudiced the ability of the Indemnifying Party to defend such claim.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifying Party and its representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of such thirty-day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Claimant the recoverable amount of the claim, subject to the terms hereof. If the Claimant and the Indemnifying Party do not agree within such thirty-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedies at law or equity, as applicable. Any claim for indemnification pursuant to this **Section 7** with respect to which (i) the Claimant and the Indemnifying Party agree as to its validity and amount, or (ii) a final, non-appealable judgment, order or award of a court of competent jurisdiction deciding such claim has been rendered, as evidenced by a certified copy of such judgment, is referred to as a "Settled Claim."

(c) With respect to any claim by a third party as to which the Claimant is entitled to indemnification under this Agreement, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party, subject to reimbursement for reasonable out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any third-party claim, the Claimant shall have the right to participate in the defense of such claim at

its own expense. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any third-party claim, then the Claimant may defend through counsel of its own choosing, subject to the right of the Indemnifying Party to assume control of or otherwise participate in the defense thereof at any time prior to the settlement, compromise or final determination thereof. No party shall compromise or settle any third party claim, action or suit without the prior written consent of the other party; provided, however, if such compromise or settlement relates only to monetary amounts and provides for the full and unconditional release of the Claimant from all liability in connection with such claim, then the Indemnifying Party may settle such claim without the Claimant's consent as long as the Indemnifying Party is responsible for the recoverable amount of such claim and the settlement of such claim does not contain an admission of wrongdoing on the part of the Claimant.

8. **DEFAULT.**

8.1 **Events of Default.** The following, after the expiration of the applicable cure periods specified in **Section 8.2**, shall constitute Events of Default under this Agreement:

(a) **Default in Covenants.** Time Broker's or Licensee's material default in the observance or performance of any of its respective covenants, conditions, or agreements contained herein;

(b) **Breach of Representation or Warranty.** Time Broker's or Licensee's material breach of any representation or warranty made by it herein, or in any certificate or document furnished pursuant to the provisions hereof.

8.2 **Cure Periods.** Unless provided otherwise in this Agreement, an Event of Default shall not be deemed to have occurred until twenty (20) days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default, and such event or events have not been cured within such time period.

9. **TERMINATION.**

This Agreement shall automatically terminate upon the consummation of the sale of the assets of all of the Stations and the assignment of all of the Stations' FCC licenses and other FCC Trust Assets as contemplated in the FCC Trust Agreement. In addition, this Agreement shall terminate as provided below.

9.1 **Termination Upon Default, Change in FCC Rules or Policies, or Necessity to Maintain FCC Compliance.** In addition to other remedies available to the parties hereto at law or equity, and in addition to any other provisions providing for termination herein, this Agreement may be terminated as set forth below by written notice to the non-terminating party if the party seeking to terminate is not then in material default or breach hereof:

(a) by Licensee, upon an uncured Event of Default by Time Broker;

(b) by Time Broker, upon an uncured Event of Default by Licensee; or

(c) by either party, upon a change in FCC rules, policies or precedent that would cause this Agreement to be in violation thereof, and such change is final, in effect and has not been stayed, and the parties are unable, after negotiating in good faith for at least thirty (30) days, to modify this Agreement to comply with the change in FCC rules, policies or precedent in such a manner that the economic or legal substance of the transactions contemplated hereby are not affected in any way materially adverse to any party.

9.2 Miscellaneous Termination Matters.

(a) Upon any termination of this Agreement, Licensee shall have no further obligation to provide to Time Broker any broadcast time on any of the Stations and Time Broker shall have no further obligation to provide programming under this Agreement.

(b) No expiration or termination of this Agreement shall terminate the obligation of each party to indemnify the other pursuant to **Section 7** hereof or limit or impair any party's rights to receive payments from the other party that are due and owing hereunder on or before the date of such termination.

(c) In the event of the termination of this Agreement for reasons other than a violation of FCC rules, policies, or precedent requiring an immediate termination, Licensee, notwithstanding the occurrence of such termination event, may elect to extend the Term for a period not to exceed ninety (90) days to promote an orderly transition to Licensee of the programming and other responsibilities and obligations performed by Time Broker.

10. REMEDIES.

In addition to a party's rights of termination hereunder (and in addition to any other remedies available to it hereunder or provided under law), in the event of an uncured Event of Default with respect to either party, the other may seek specific performance of this Agreement to the extent permitted by Applicable Law, including, without limitation, the Communications Act and the rules, regulations, and policies of the FCC, in which case the defaulting party shall waive the defense in any such suit that the other party has an adequate remedy at law and interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy hereunder.

11. CERTAIN REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES.

11.1 Representations, Warranties and Covenants of Time Broker. Time Broker hereby represents, warrants, and covenants to Licensee as follows:

(a) **Organization; Authorization.** Time Broker is duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to conduct its business as currently conducted. This Agreement has been duly executed and delivered by Time Broker, and is valid, binding, and enforceable against Time Broker in accordance with its terms, except as such enforceability may be limited by applicable legal requirements relating to bankruptcy, insolvency, reorganization, moratorium or other similar legal requirements relating to or affecting creditors' rights generally and except as such

enforceability is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). Time Broker has full corporate power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby to be consummated by Time Broker.

(b) **Enforceability.** The execution, delivery, and performance of this Agreement and the consummation of the transactions provided for hereby to be consummated by Time Broker have been duly authorized by all necessary corporate action on the part of Time Broker, and no other corporate action on the part of Time Broker is necessary to authorize the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby to be consummated by Time Broker.

11.2 **Representations and Warranties of Licensee.** Licensee hereby represents and warrants to Time Broker as follows:

(a) **Organization; Authorization.** Licensee is a duly organized and validly existing trust organized pursuant to the Trust Agreement. This Agreement has been duly executed and delivered by Licensee, and is valid, binding, and enforceable against Licensee in accordance with its terms, except as such enforceability may be limited by applicable legal requirements relating to bankruptcy, insolvency, reorganization, moratorium or other similar legal requirements relating to or affecting creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). Licensee has full power and authority to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby to be consummated by Licensee.

(b) **Enforceability.** The execution, delivery and performance of this Agreement and the consummation of the transactions provided for hereby to be consummated by Licensee have been duly authorized by all necessary trust action on the part of Licensee, and no other trust action on the part of Licensee is necessary to authorize the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby to be consummated by Licensee.

12. MISCELLANEOUS.

12.1 **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing signed by the party against whom the modification or waiver is sought to be enforced, and then such modification or waiver shall be effective only in the specific instance and for the purpose for which given.

12.2 **No Waiver; Remedies Cumulative.** No failure or delay on the part of Licensee or Time Broker in exercising any right or power hereunder shall operate as a waiver thereof, nor any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, shall preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Licensee

and Time Broker herein provided are cumulative and are not exclusive of any rights or remedies which they may otherwise have.

12.3 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to any conflict of laws rule or principle that might require the application of the laws of another jurisdiction and the obligations of the parties hereto are subject to all Applicable Law as now or hereafter in force, including, without limitation, to the regulations of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted.

12.4 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by Licensee or Time Broker without the prior written consent of the other party. Any purported assignment or delegation in violation hereof shall be null and void.

12.5 Force Majeure. Each party acknowledges and agrees that a party will not be liable for any failure to timely perform any of its obligations under this Agreement if such failure is due, in whole or in part, directly or indirectly, to accidents, fires, floods, governmental actions, war, civil disturbances, other causes beyond such party's control or any other occurrence which would generally be considered an event of force majeure.

12.6 Counterpart Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

12.7 Notices. All notices that are required or may be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by facsimile or by registered or certified mail, postage prepaid, to the parties at the following addresses (or to the attention of such other person or such other address as any party may provide to the other parties by notice in accordance with this **Section 12.7**), and any such notice or other communication will be deemed to have been given and received on the day it is personally delivered or delivered by courier or overnight delivery service or sent by facsimile (receipt confirmed) or, if mailed, when actually received:

if to Licensee, to:

Affiliated Media, Inc. FCC Trust
c/o Joseph J. Lodovic IV, Trustee
101 West Colfax Avenue, Suite 1100
Denver, CO 80802
Attention: Joseph J. Lodovic IV
Facsimile: (303) 954-6320

with copies to (which shall not constitute notice):

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
Attention: James Modlin
Facsimile: (212) 422-4726

if to the Broker, to:

Graham Newspapers, Inc.
620 Oak Street
Graham, TX 76450
Attention: _____
Facsimile: _____

with copies to (which shall not constitute notice):

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
Attention: James Modlin
Facsimile: (212) 422-4726

12.8 Entire Agreement. This Agreement (including all attachments, exhibits and schedules) embody the entire agreement between the parties with respect to the matters contained herein and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter herein.

12.9 Severability. Except as expressly set forth in **Section 12.11**, if any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect by any court or other authority, then such provision shall be deemed limited to the extent that such court or other authority deems it reasonable and enforceable, and as so limited shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. In the event that such court or other authority shall deem any such provision wholly unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein, in each case, so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party.

12.10 No Joint Venture. The parties agree that nothing herein shall constitute a joint venture between them. The parties acknowledge that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement.

12.11 Regulatory Changes. In the event of any order or decree of an administrative agency or court of competent jurisdiction, including without limitation any material change or clarification in FCC rules, policies, or precedent, that would cause this Agreement to be invalid or violate any Applicable Law, and such order or decree has become effective and has not been stayed, the parties will use their respective best efforts and negotiate in good faith to modify this Agreement to the minimum extent necessary so as to comply with such order or decree without material economic or legal detriment to either party, and this Agreement, as so modified, shall then continue in full force and effect. In the event that the parties are unable to agree upon a modification of this Agreement so as to cause it to comply with such order or decree without material economic or legal detriment to either party, then this Agreement shall be terminated consistent with **Section 9.2** of this Agreement.

12.12 Publicity. Neither Time Broker nor Licensee nor any of their respective affiliates shall issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement except as required by law or regulation or as agreed to in writing in advance by Licensee and Time Broker.

12.13 Broker's Certification. Time Broker hereby certifies that this Agreement complies with the provisions of Section 73.3555 of the FCC's rules and regulations regarding the FCC local television and local radio ownership rules.

12.14 Licensee's Certification. Licensee hereby certifies that it shall maintain the ultimate control over the Stations' facilities, including but not limited to control over the finances with respect to the operation of the Stations, over the personnel operating the Stations, and over the programming to be broadcast by the Stations.

[Signature Page Follows.]

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

AFFILIATED MEDIA, INC. LIQUIDATING TRUST

By: Its Trustees

Name: William Dean Singleton

Name: Joseph J. Lodovic, IV

Name: Howell E. Begle, Jr.

GRAHAM NEWSPAPERS, INC.

By: _____
Name:
Title:

EXHIBIT A

List of Licensee's Radio Broadcast Stations

Call Sign	Facility ID No.	Community of License
KWKQ(FM)	35643	Graham, Texas
KSWA(AM)	35644	Graham, Texas
KLXK(FM)	7702	Breckenridge, Texas
KROO(AM)	7703	Breckenridge, Texas

SCHEDULE 1.1

Programming

Time Broker shall have the right to program up to one hundred sixty-eight (168) hours per week on each Station in a format to be chosen by Time Broker, subject to the terms of this Agreement, including, without limitation, Sections 2 and 5 of this Agreement. The Programming shall include (a) general information and entertainment programming; (b) public service announcements (including, at Licensee's directive from time to time, a reasonable number of public service announcements of local interest); (c) an announcement in form sufficient to meet the station identification requirements of the FCC at the beginning of each hour; (d) an announcement at the beginning of each segment of Programming to indicate that program time has been purchased by Time Broker and any other necessary or appropriate sponsorship identification announcements; and (e) any other announcement that may be required by applicable law or regulation (including but not limited to Emergency Alert System ("EAS") tests).

Notwithstanding the foregoing, Licensee specifically reserves up to two (2) hours per week on each Station (the "Reserved Time") for the broadcast of programming responsive to issues of public importance identified by Licensee. The Reserved Time shall be at a mutually agreeable time between the hours of 6:00 am and 9:00 am on one weekday or weekend day selected by Licensee. All Reserved Time not used by Licensee shall be made available for the use of Time Broker.

Time Broker shall maintain and deliver to Licensee copies of all operating and programming information, including without limitation information concerning portions of the Programming that are responsive to issues of public importance identified to Time Broker by Licensee, EAS announcements, and station operating logs, necessary for Licensee to maintain its public inspection files, and all other records required to be kept by FCC rule or policy. Time Broker shall have the sole and exclusive right to sell advertising to be included in the Programming and shall be entitled to retain all the revenues derived from the sale thereof; provided, however, that Licensee shall be entitled to sell such time as it deems necessary to comply with the political advertising rules of the FCC in the event the Broadcast Material does not comply with such rules.

SCHEDULE 2.1

Policy Statement for Broadcast Material

Time Broker agrees to cooperate with Licensee in the broadcasting of programs of high quality and, for this purpose, to observe the following policies in the preparation, writing and production of Broadcast Material.

NO PLUGOLA OR PAYOLA. Time Broker and its personnel shall not accept or agree to accept from any person or entity any money, service, or other valuable consideration for the broadcast of any matter unless that fact is disclosed to Time Broker or Licensee so that all required sponsorship identification announcements can be made.

ELECTION PROCEDURES. At least ninety (90) days before the start of any primary or regular election campaign, Time Broker shall clear with Licensee the rates Time Broker will charge for the time to be sold to candidates for public office and/or their campaign committees to make certain that the rate charged is in conformity with Applicable Law and Licensee's policy. In providing time to candidates for public office, Time Broker will comply with Applicable Law, including equal opportunities and reasonable access requirements, and shall ensure that the information required to be placed into the Stations' public inspection files is timely provided to Licensee.

PROGRAMMING PROHIBITIONS. Time Broker shall not knowingly broadcast any of the following programs or announcements:

- (a) False Claims. False claims for any commercial product or commercial service.
- (b) Commercial Disparagement. Any unlawful disparagement of competitors or competitive goods.
- (c) Obscenity/Indecency. Any programs or announcements that are obscene or indecent, as those terms are interpreted and applied by the FCC, at any time with respect to obscenity and outside of the time periods prescribed by the FCC with respect to indecency.
- (d) Conflict Advertising. Any advertising matter or announcement which, in the reasonable opinion of Station Licensee, is contrary to the public interest obligations of Licensee to the FCC.
- (e) Fraudulent or Misleading Advertisement. Any commercial advertisement matter, commercial announcement that Time Broker knows to be fraudulent or misleading in violation of applicable FCC rules and policies on permissible broadcast advertising.

LOTTERIES. Announcements giving any information about lotteries or games prohibited by Applicable Law are prohibited.

RELIGIOUS PROGRAMMING RESTRICTIONS. The subject of religion and references to particular faiths, tenants, and customs shall be treated with respect at all times.

CREDIT TERMS ADVERTISING. Any advertising of credit terms shall be made over the Stations in accordance with Applicable Law.

NO ILLEGAL ANNOUNCEMENTS. No announcements or promotion prohibited by Applicable Law shall be made over any Station. At Licensee's request, any game, contest, or promotion relating to or to be presented over any Station must be fully stated and explained in advance to Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion. Any contests conducted on any Station shall be conducted in all material respects as announced or advertised.

LICENSEE DISCRETION PARAMOUNT. In accordance with the responsibilities of Licensee under the Communications Act and the FCC Rules, Licensee reserves the right to reject or terminate any Broadcast Material proposed to be presented or being presented over any Station which is in conflict with the policy of Licensee or which in the reasonable judgment of Licensee would not serve the public interest.

EMERGENCY INFORMATION. Any emergency information essential to preserving life or property which is broadcast by the Stations shall be transmitted both aurally and visually or only visually in accordance with Applicable Law.

HOAXES. No Station shall not knowingly broadcast false information concerning a crime or catastrophe.

REBROADCASTS. No Station shall rebroadcast the signal of any other broadcast station without first obtaining such station's prior written consent to the extent required by law.

BILLING. Time Broker shall not knowingly issue any bill, invoice, or other document which contains false information concerning the amount charged or the broadcast of advertising which is the subject of the bill or invoice. Time Broker shall not knowingly misrepresent the nature or content of aired advertising, nor the quantity, time of day, or day on which such advertising was broadcast.

MISCELLANEOUS.

(a) Waiver. To the extent legally permissible, the parties may jointly waive any of the foregoing policies in specific instances if, in their opinion, good broadcasting in the public interest is served.

(b) Prior Consent. In any case where questions of policy or interpretation arise, Time Broker shall attempt in good faith to submit the same to Licensee for decision before making any commitments in connection therewith.

SCHEDULE 3.3

Payments

Subject to the terms of this Agreement, Time Broker shall reimburse Licensee in cash for the following costs and expenses incurred by Licensee:

- (i) lease payments in connection with property leased, if any,
- (ii) utility bills for utility services at each Station's main studio/office location(s) and its tower/transmitter sites,
- (iii) telephone system maintenance costs and local exchange and long distance telephone service costs for each Station's telephone system(s) and usage at each Station's main studio/office location(s) and at each Station's tower/transmitter sites,
- (iv) costs of engineering and technical personnel necessary to assure compliance with the FCC's rules and policies and maintenance and repair of each Station's transmitting and microwave relay facilities,
- (v) all liabilities and obligations under all contracts to which Licensee is a party relating to the business and operations of the Stations,
- (vi) premiums for insurance maintained for the Stations and associated assets,
- (vii) business, license and FCC regulatory fees,
- (viii) reasonable maintenance, repair and necessary capital replacement or expenditure costs in respect of each Station and its operation; and
- (ix) any other expenses related to the operation of the Stations in the ordinary course of business other than those paid directly by Time Broker.