

MANAGEMENT AGREEMENT

This **MANAGEMENT AGREEMENT** (this "Agreement") is dated as of December 31st, 2009 by and between Denver TV Licenses, LLC, an Iowa limited liability company ("Licensee") and Pegasus Minority Media, LLC, a Florida limited liability company ("Manager").

RECITALS

WHEREAS, Licensee owns and operates KQCK-TV, Cheyenne, Wyoming, Facility Identification Number 18287 and KQDK-CA, Aurora, Colorado, Facility Identification Number 29455 (collectively the "Stations"), pursuant to licenses issued by the FCC to the Licensee;

WHEREAS, Manager has experience in the operation and management of broadcast television stations and Licensee desires to utilize Manager's experience;

WHEREAS, Licensee desires to retain Manager and Manager desires to advise Licensee on operational and management matters for the Stations in conformity with all rules, regulations, and policies of the FCC; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Licensee and Manager, intending to be bound legally, agree as follows:

SECTION 1. DEFINITIONS

The following terms, as used in this Agreement, shall have the meanings set forth in this Section:

"Communications Act" means the Communications Act of 1934, as amended, together with the rules, regulations, and policies promulgated thereunder by the FCC, as in effect from time to time.

"FCC" means the Federal Communications Commission.

"Person" includes natural persons, corporations, business trusts, associations, companies, limited liability companies, joint ventures, and partnerships.

SECTION 2. TERM

2.1 Term. The term of this Agreement will be effective as of December 31st, 2009 (the "Effective Date") and will terminate upon the earlier of three years from the Effective Date, the sale of the Stations, or as provided for in Section 2.2 of this Agreement.

2.2 Termination. This Agreement may be terminated by Licensee or Manager, by written notice to the other, if:

(a) this Agreement has been declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction which is not subject to appeal or further administrative or judicial review;

(b) there has been a change in the Communications Act that causes this Agreement to be in violation thereof and the applicability of such change is not subject to appeal or further administrative review;

(c) if the terminating party is not then in material breach and the other party is in material breach under this Agreement and has failed to cure such breach within thirty (30) days after receiving notice of breach from the terminating party; or

(d) by mutual agreement of both parties.

2.3 Certain Matters Upon Termination. No expiration or termination of this Agreement shall terminate the obligations of any party hereto to indemnify the other under Section 8 of this Agreement or limit or impair any party's rights to receive payments due and owing hereunder on or before the date of such termination. Upon expiration or termination of this Agreement, Licensee shall run on the Stations all cash and trade advertising that Manager has agreed to run on the Stations and Licensee will retain all revenue from all advertising run on the Stations following such expiration or termination.

SECTION 3. CONSIDERATION

3.1 Consideration. As consideration for the services that Manager shall provide to Licensee under this Agreement, Licensee shall pay Manager a monthly management fee of Twenty Five Thousand dollars (\$25,000.00), with payment to be made by the first day of each month for the present month.

SECTION 4. SCOPE OF SERVICES

4.1 Management and Related Services. Licensee shall retain Manager for the term of this Agreement for Manager to supervise the Stations with respect to the following: (a) operation and management; (b) financial recordkeeping, including but not limited to, financial statements prepared in accordance with generally accepted accounting procedures, (c) the sale of

advertising; and (d) negotiations with third parties. Licensee shall receive all of the revenues from the sale of advertising on the Stations. Licensee shall provide and be solely responsible for all costs associated with the Stations including but not limited to salaries of Licensee's employees, sales commissions, collection of accounts receivables, telephone services, and production, marketing and advertising expenses.

4.2 Control. Notwithstanding anything to the contrary in this Agreement, Licensee and Manager acknowledge and agree that during the term of this Agreement, Licensee will maintain ultimate control and authority over the facilities of the Stations, including specifically control and authority over the Stations' finances, personnel and programming. Except for the sale of advertising time, Manager shall have no authority to enter into any agreement that shall bind Licensee. However, Manager may, with prior approval from Licensee, negotiate agreements for the benefit of and execution by Licensee. Manager shall not represent, warrant or hold itself out as the Stations' licensee.

4.3 Programming and Technical Facilities. Manager shall make no changes in the programming or technical facilities of any of the Stations without the prior consent of Licensee. Manager may recommend to Licensee changes to the programming or technical facilities of the Stations, and upon prior approval from Licensee, implement such changes, subject to final written consent of Licensee, if necessary.

4.4 Licensee Advertising Policies. All advertising spots and promotional material or announcements shall comply with applicable federal, state and local regulations and policies. As Licensee of the Stations, Licensee shall have the right to reject or terminate any agreement by Manager to sell advertising time on the Stations which Licensee determines to be inconsistent with its broadcasting policies and standards or otherwise not in the public interest. Provided that the sale of advertising time on the Station by Manager is in accordance with this Agreement and with Licensee's broadcasting policies and standards, Manager will not be required to obtain the prior approval of Licensee before scheduling and broadcasting advertising time on the Stations.

SECTION 5. OTHER OBLIGATIONS OF THE PARTIES

5.1 Operation of the Station. Licensee will have full authority, power, and control over the operations of the Stations during the term of this Agreement, in accordance with and subject to the following:

(a) Licensee will bear all responsibility for the Stations' compliance with all applicable provisions of the Communications Act and all other applicable laws. Licensee will 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 continue to maintain a main studio, as that term is defined by the FCC, and the Stations' local public inspection file in accordance with the requirements of the Communications Act.

(c) Licensee shall receive and respond to telephone inquiries, and control and oversee any remote control point for the Stations.

(d) Licensee shall employ such management and staff-level employees to direct the day-to-day operations of the Stations as may be necessary to comply with the provisions of the Communications Act regarding main studio staffing. Licensee also shall employ and be responsible for all on-air and programming personnel of the Stations, and such additional personnel as shall be necessary to enable Licensee to perform its obligations under this Agreement. All such employees will report to and be accountable solely to Licensee. Licensee shall notify Manager prior to making any changes in management personnel.

(e) Licensee shall maintain in effect policies of insurance insuring the assets and the business of the Stations of the type and in amounts customary in the television broadcasting industry.

(f) Licensee shall cause each Station's transmitting facility to be maintained at all times in accordance with good engineering practice and with all engineering requirements set forth in the Station's FCC authorizations, including broadcasting a high-quality signal at maximum authorized ERP (except at such time where reduction of power is required for routine or emergency maintenance). Licensee shall use, operate, and maintain all of the assets of the Stations in a reasonable manner. If any loss, damage, impairment, confiscation or condemnation of any of such assets occurs, Licensee shall repair, replace, or restore the assets to their prior condition as soon thereafter as possible, and Licensee shall use the proceeds of any claim under any insurance policy solely to repair, replace or restore any of the assets that are lost, damaged, impaired or destroyed.

(g) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Stations, including costs of maintaining the transmitting facility, the cost of electricity and other utilities at each Station's tower site, taxes, and the salaries, taxes, insurance, and related costs for all personnel employed by Licensee.

5.2 Rights and Responsibilities of Manager. Manager shall supervise the administrative, operational and business functions of the Stations by: (a) providing management services regarding programming and operations; (b) monitoring the Stations' technical operations; (c) supervising accounting and bookkeeping for the Stations; (d) developing and submitting for Licensee's approval annual operating and capital budgets; (e) on behalf of Licensee, selling commercial time within programming aired on the Stations; and (f) assisting Licensee with compliance with local, state and federal laws (including reports required to be filed with the FCC). When appropriate, Manager shall recommend to Licensee improvements in the administrative, operational and business functions of the Stations.

5.3 Access to Information. Licensee shall be entitled to review at its reasonable discretion from time to time any material information, books and records of Manager regarding the Stations that Licensee may reasonably request. Manager shall also maintain and deliver to the Stations such records and information required by the FCC to be placed in the public inspection file of each Station 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. Manager 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. Nothing in this section shall entitle Licensee to review the internal corporate or financial records of Manager. Each party will keep confidential any information obtained from the other party in connection with this Agreement, except as and to the extent required by law and except to the extent such information was previously known to each party or has become part of the public domain. If this Agreement is terminated, each party will return to the other party all information obtained from the other party in connection with this Agreement.

5.4 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, which would cause this Agreement to be in violation of any applicable law, the parties will use their respective best efforts and negotiate in good faith to modify this Agreement to the extent necessary to comply fully with such order or decree. If despite such best efforts the parties are unable to negotiate a mutually agreeable modification, either party may terminate this Agreement and both parties shall thereupon be relieved of all liability hereunder accruing after the termination date.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF LICENSEE

Licensee represents and warrants to Manager as follows:

6.1 Authorization and Binding Obligation. This Agreement has been duly executed and delivered by Licensee and constitutes the legal, valid, and binding obligation of Licensee, enforceable against Licensee in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

6.2 Absence of Conflicting Agreements or Consents. The execution, delivery, and performance by Licensee of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the organizational documents of Licensee; (c) to the best of Licensee's knowledge, will not conflict with, result in a breach of, or constitute a default under any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Licensee; (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Licensee is a party or by which Licensee is bound; and (e) will not create any claim, lien, charge, or encumbrance upon any of the assets of the Station.

6.3 Authorizations. Licensee holds all material licenses, permits, and other

authorizations required by the FCC for the lawful operation of the Stations and the conduct of the business of the Stations in the manner and to the full extent it is currently conducted, all of those licenses, permits, and other authorizations have been validly issued to Licensee and are in full force and effect, and none of the licenses, permits, and other authorizations are subject to any restriction or condition that would limit the operations of the Stations as they are currently conducted. There is not now pending, or to the best of Licensee's knowledge, threatened, any action by the FCC or by any other Person to revoke, cancel, suspend, refuse to renew, or modify any of those licenses, permits, and other authorizations. Licensee is in compliance in all material respects with the FCC licenses and the Communications Act.

SECTION 7. REPRESENTATIONS AND WARRANTIES OF MANAGER

Manager represents and warrants to Licensee as follows:

7.1 Authorization and Binding Obligation. This Agreement has been duly executed and delivered by and constitutes the legal, valid, and binding obligation of Manager, enforceable against Manager in accordance with its terms except as the enforceability hereof may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

7.2 Absence of Conflicting Agreements and Required Consents. The execution, delivery, and performance by Manager of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) do not require the consent of any governmental or regulatory authority or any other Person; (b) will not conflict with the organizational documents of Manager; (c) to the best of Manager's knowledge, will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Manager; and (d) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Manager is a party or by which Manager is bound.

SECTION 8. INDEMNIFICATION AND REMEDIES

8.1 Representations and Warranties. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, or covenant contained herein. No notice or information delivered by any party shall affect the other party's right to rely on any representation or warranty of such party.

8.2 Indemnification by Licensee. From and after the Effective Date, Licensee hereby agrees to indemnify and hold Manager harmless against and with respect to, and shall reimburse Manager for:

- (a) Any losses, liabilities, or damages resulting from any representation that

is untrue in any material respect, material breach of warranty, or material nonfulfillment of any covenant by Licensee contained herein.

(b) Any losses, liabilities or damages arising out of (i) any programming broadcast by Licensee on the Station, including those resulting from any claim for defamation, or (ii) the conduct of Licensee pursuant to this Agreement.

(c) Subject to the provisions of Section 8.4 of this Agreement, any assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

8.3 Indemnification by Manager. From and after the Effective Date, Manager hereby agrees to indemnify and hold Licensee harmless against and with respect to, and shall reimburse Licensee for:

(a) Any and all losses, liabilities, or damages resulting from any representation that is untrue in any material respect, material breach of warranty, or material nonfulfillment of any covenant by Manager contained herein.

(b) Any losses, liabilities or damages arising out of (i) any advertising provided by Manager for broadcast on the Stations, including those resulting from any claim for defamation, or (ii) the conduct of Manager or any of its employees or agents pursuant to this Agreement.

(c) Subject to the provisions of Section 8.4 of this Agreement, any assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

8.4 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. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant as promptly as practicable.

(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/or its authorized 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 the 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 full amount of the

claim. If the Claimant and the Indemnifying Party do not agree within the thirty-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate remedy at law or equity.

(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 actual 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, it shall be bound by the results obtained by the Claimant with respect to such claim. The Indemnifying Party shall not settle any claim without the Claimant's prior consent which shall not be unreasonably withheld.

(d) If a claim, whether between the parties or by a third party, requires immediate action, the parties will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) The indemnification rights and obligations of the parties hereunder shall survive any termination of this Agreement.

8.5 Attorneys' Fees. In the event of the filing by either party of a lawsuit for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

SECTION 9. MISCELLANEOUS

9.1 Fees and Expenses. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives.

9.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Licensee:

Denver TV Licenses, LLC
5000 Tremont Avenue
Suite 102

Davenport, IA 52807
Attn: Dave McAnally

If to Manager:

Pegasus Minority Media, LLC
10155 Collins Avenue
Suite 1505
Bal Harbour, FL 33154
Attn: Barbara Laurence

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 9.2.

9.3 Benefit and Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party shall assign its rights and obligations under this Agreement without first obtaining the other party's written consent.

9.4 Further Assurances. The parties shall take any actions and execute any other documents that may be reasonably necessary or desirable to the implementation and consummation of this Agreement.

9.5 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Florida (without regard to the choice of law provisions thereof).

9.6 Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

9.7 Gender and Number. Words used herein, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

9.8 Entire Agreement. This Agreement represents the entire understanding and agreement among the parties hereto with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the parties with respect to the subject matter hereof and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and that is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

9.9 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.


9.10 Severability. This If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

IN WITNESS WHEREOF, this Agreement has been executed by Licensee and Manager on the date first written above.

LICENSEE:

DENVER TV LICENSES, LLC

By: 

MANAGER:

PEGASUS MINORITY MEDIA, LLC

By: _____

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

IN WITNESS WHEREOF, this Agreement has been executed by Licensee and Manager on the date first written above.

LICENSEE:

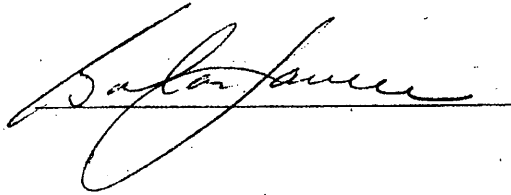
DENVER TV LICENSES, LLC

By: _____

MANAGER:

PEGASUS MINORITY MEDIA, LLC

By: _____

A handwritten signature in dark ink, appearing to read "B. J. J. J.", is written over a horizontal line.