

STUDIO AND OFFICE LEASE AGREEMENT

This **STUDIO AND OFFICE LEASE AGREEMENT** (“Lease”) is made and entered into as of _____, 2012, by and between KIII Building Company, LLC (“Landlord”) and KUQI Licensee, LLC (“Tenant”), Landlord and Tenant sometimes referred to collectively as the “Parties” and individually as a “Party.”

WITNESSETH:

WHEREAS, Landlord owns a building located at 5002 S. Padre Island Drive, Corpus Christi, Texas 78412, which is used as television station studios and offices (the “Premises”); and

WHEREAS, Tenant desires to have access to, and the use of, certain portions of the Premises for use in Tenant’s operation of television station KUQI in accordance with and pursuant to that certain Shared Services Agreement of even date herewith between Landlord and Tenant (the “Shared Services Agreement”);

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

1. **Lease of Portion of Premises.** Landlord hereby leases to Tenant the studio and certain office space within the Premises as shall be determined by the Landlord (the “Leased Premises”), as contemplated by the Shared Services Agreement and in accordance with the Communications Act of 1934, as amended. To the extent reasonably practicable, the offices of Tenant in the Leased Premises will be separate from the offices of Landlord, so as to provide privacy and security for the operations of KUQI. Landlord shall provide to Tenant and its employees the use of telephone equipment with separate lines, as well as other services with respect to the Leased Premises as set forth in the Shared Services Agreement. If reasonably practical, Tenant will be provided with a separate internal entrance to the KUQI offices. Tenant’s use of studio space in the Leased Premises shall be non-exclusive and subject to the use by Landlord of such studio space.

2. **Term.** Unless sooner terminated pursuant to the terms hereof, the term of this Lease (“Term”) shall be for a period of ten (10) years, unless sooner terminated as herein provided, commencing on the date first set forth above. Unless otherwise terminated by either Party, the term of this Lease shall be extended for an additional ten (10) year term. This Lease shall automatically terminate upon the termination of the Shared Services Agreement, subject to Section 14.

3. **Relocation of Leased Premises.** Landlord may change the location of the Leased Premises within the Premises, so long as Tenant is provided with reasonable advance notice of any such change and any such move does not unreasonably interfere with the operations of KUQI.

4. **Rent.** The Monthly Services Fee (as defined under the Shared Services Agreement) paid pursuant to the Shared Services Agreement shall be deemed to include all rent due under this Lease, and no additional amounts shall be due with respect to this Lease except as specifically set forth herein.

5. **Use of Leased Premises.** Tenant shall have the right to use the Leased Premises for the operation of KUQI and related purposes, and for no other purposes without Landlord's prior written consent. Tenant covenants that it will not permit the Leased Premises to be used for any unlawful purposes, and that it will comply with all laws pertaining to the use of the Leased Premises.

6. **Access to Common Areas, Etc.** Tenant shall have the right to use the common areas relating to the Premises including, but not limited to, reception areas and restrooms, as well as parking facilities; provided, however, that Tenant's rights to use of the common areas are expressly subject to availability and subject to any applicable building rules and further provided that in the exercise of all such rights to the common areas, Tenant's use shall be reasonable in the context and in proportion to the amount of space occupied by Tenant in the Premises and shall be subject to reasonable limitation imposed by Landlord to facilitate joint and harmonious use of such common areas.

7. **Acceptance of Leased Premises by Tenant.** Tenant acknowledges that it has examined the Leased Premises prior to the execution of this Lease and knows the condition thereof, and that no representations as to the condition or state of repairs thereof have been made by the Landlord or its agents which are not herein expressed, and Tenant hereby accepts the Leased Premises in their "AS IS" "WHERE IS" condition as of the date of the execution of this Lease. Landlord and Tenant agree that no alterations, additions or improvements to the Leased Premises shall be made prior to Tenant taking possession of the Leased Premises.

8. **Tenant Covenants.** Tenant covenants with Landlord as follows:

(a) Tenant shall maintain the Leased Premises in good condition and surrender them at the expiration of the Lease in substantially the same condition in which the premises were received, damage by storm or any acts of God or acts of public enemies and normal wear and tear excepted.

(b) Tenant shall remove from the Leased Premises on or prior to the expiration of the Lease, at its own expense, all of the furniture, fixtures and other personal property belonging to Tenant.

(c) Tenant shall make no additions or alterations in or to the Leased Premises without the prior written consent of Landlord.

(d) Tenant shall permit Landlord at all reasonable times to enter upon and examine the Leased Premises and make such repairs as Landlord may deem necessary for the protection of the Leased Premises.

(e) Tenant shall not sublet the whole or any part of the Leased Premises nor shall Tenant assign this Lease or any of Tenant's rights hereunder without the prior written consent of Landlord.

(f) Tenant shall pay all taxes, levies and assessments on Tenant's personal property, including, without limitation, furniture, fixtures and similar personal property. In the event that property taxes, levies and assessments against Landlord's property and equipment are not assessed or charged separately from those assessed or charged against Tenant's personal property and equipment, then and in that event, Landlord and Tenant agree that the applicable property taxes, levies and assessments shall be apportioned between them, if necessary, on a fair, reasonable and equitable basis.

(g) Tenant shall take reasonable precautions to avoid interference or other hindrance to and with the operations of Landlord during the term of this Lease and in the event such interference does occur, to correct the same, as soon as practicable, which shall in no event exceed ten (10) days following Tenant's receipt of such notice. Notwithstanding anything herein to the contrary, in the event that any interference to the operations of Landlord caused by Tenant or any party acting by or on behalf of or under the direct or indirect control of Tenant materially impairs Landlord's operations from all or part of the Premises, then Landlord shall have the right, without the necessity of providing notice thereof to Tenant, to immediately enter the Leased Premises and cure such interference, and Tenant hereby indemnifies and releases Landlord from all liability for damages associated therewith. In the event that Landlord shall exercise its right to cure any interference as provided in the immediately preceding sentence, then Tenant shall reimburse Landlord for all costs incurred by Landlord associated therewith within twenty (20) days of Landlord's written demand therefor.

9. **Landlord Covenants.** Landlord covenants with Tenant as follows:

(a) During the Term of this Lease, Tenant shall peaceably hold and enjoy the Leased Premises subject to the limitations and conditions as set forth in this Lease.

(b) During reasonable business hours, except in the case of unavoidable accident or other cause beyond Landlord's reasonable control, the Leased Premises shall be duly warmed or air-conditioned and the common areas maintained in a general businesslike condition of cleanliness and repair.

(c) Landlord shall take reasonable precautions to avoid causing interference or other hindrance to and with the operations of Tenant by virtue of Landlord's intentional acts or omissions and, in the event such interference does occur, to correct the same as soon as practicable upon receipt of a written notice by Tenant describing such interference.

10. **Insurance.** During the Term of this Lease, Landlord and Tenant will each be responsible for maintaining such property and liability insurance on their own property and premises as is customary in the industry or otherwise in the Corpus Christi, Texas area. In furtherance of the foregoing, Tenant shall carry insurance customary for similar office tenants with coverages and amounts reasonably required by Landlord.

11. **Indemnification.**

(a) Tenant shall indemnify and hold harmless Landlord and its directors, officers, agents and employees, against and from any and all claims, liabilities, judgments, costs, demands, causes of action and expenses (including, without limitation, reasonable attorneys' fees) arising from (i) the use of the Leased Premises (including Landlord's equipment and personal property) by Tenant or Tenant's agents, employees, contractors, representatives or invitees (collectively, "Tenant's Agents"), or from any activity done, permitted or suffered by Tenant or Tenant's Agents in or about the Leased Premises, and (ii) any act, neglect, fault, willful misconduct or omission of Tenant or Tenant's Agents, or from any breach or default in the terms of this Lease by Tenant or Tenant's Agents, and (iii) any action or proceeding brought on account of any matter in items (i) or (ii). If any action or proceeding is brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. As a material part of the consideration to Landlord, Tenant hereby releases Landlord from responsibility for, waives its entire claim of recovery for and assumes all risk of (A) damage to property or injury to persons (including death) in or about the Leased Premises from any cause whatsoever (except that which is caused by the gross negligence or willful misconduct of Landlord or by the failure of Landlord to observe any of the terms and conditions of this Lease, if such failure has persisted for an unreasonable period of time after written notice of such failure), or (B) loss resulting from business interruption or loss of income at the Premises. The obligations of Tenant under this Paragraph 11(a) shall survive any termination, expiration, modification or extension of this Lease.

(b) Landlord shall indemnify Tenant against and from any and all claims, liabilities, judgments, costs, demands, causes of action and expenses (including, without limitation, reasonable attorneys' fees) arising to the extent of Landlord's gross negligence or intentional misconduct, provided Tenant is not also at fault.

(c) The foregoing indemnities shall not relieve any insurance carrier of its obligations under any policies required to be carried by either party pursuant to this Lease, to the extent that such policies cover the peril or occurrence that results in the claim that is subject to the foregoing indemnity.

12. **Mechanics' Liens.** Tenant shall not suffer or permit any mechanics' or materialmen's liens to be filed against the Leased Premises by reason of work, labor and/or materials supplied or claimed to have been supplied to Tenant. If any such lien at any time shall be filed against the Leased Premises, Tenant shall proceed with due diligence (which shall in no event exceed twenty (20) days) to cause the same to be discharged of record by payment, deposit, bond, order of court or otherwise, subject, however, to the right of Tenant to contest any such liens by legal proceedings diligently pursued.

13. **Default.** Subject to Section 14 below, if Tenant defaults in fulfilling any of its covenants or obligations hereunder and has not cured such default within thirty (30) days after receipt of notice from Landlord that it is in default, Landlord may, at its option, terminate this Lease. Upon any such termination by Landlord, subject to Section 14, Landlord may reenter the Leased Premises and remove all persons and property therefrom. If any action is commenced for

the breach of any covenants or conditions of this Lease or for the possession of said Leased Premises, or if a Party necessarily intervenes in or becomes a party to any action or actions growing out of this Lease in order to protect its rights, then the breaching Party (if any) will pay reasonable attorneys' fees, court costs and related expenses of the non-breaching Party in any such action or actions. Any waiver, express or implied, of any breach of this Lease or any terms, conditions or promises herein contained shall not be or construed to be a waiver of any subsequent breach, and acceptance by Landlord of rent hereunder shall not be construed to be a waiver or any breach of terms or conditions herein by Tenant. Notwithstanding anything herein to the contrary, a default by Tenant under the Shared Services Agreement shall constitute a default by Tenant under this Lease entitling Landlord to all remedies provided Landlord under this Lease for Tenant's default.

14. **Extension Beyond Termination.** Upon the termination of this Lease for any reason, if requested by Tenant in writing, Landlord agrees to continue for a period of six (6) months following such termination to provide Tenant with the use of the Leased Premises for the same monthly rent in effect upon such termination. Subject to the terms of Paragraph 13 above, Landlord agrees to continue to provide Tenant with the use of the Leased Premises at all times during the Term of this Lease, even if there are disputes between the Parties regarding compliance with the terms of this Lease.

15. **Mutual Waiver of Subrogation.** Each Party hereby waives all claims for recovery from the other Party for any loss or damage to any of its property insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance, subject to the limitations that this waiver shall apply only when permitted by the applicable policy of insurance.

16. **Successors and Assigns.** Neither Party may assign its rights and obligations under this Lease, either in whole or in part, without the prior written consent of the other; however, such consent shall not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the Parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the Parties hereto and their permitted successors and assigns any right, remedy or claim, legal or equitable, under or by reason of this Lease. This Lease shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

17. **Strict Construction.** The language used in this Lease will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Lease will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Lease.

18. **Captions.** The captions used in this Lease are for convenience of reference only, do not constitute a part of this Lease and will not be deemed to limit, characterize or in any way affect any provision of this Lease, and all provisions of this Lease will be enforced and construed as if no caption had been used in this Lease.

19. **Governing Law; Entire Agreement.** This Lease shall be construed in accordance with the laws of the State of Texas without regard to principles of conflict of laws. This Lease and the Shared Services Agreement embody the entire agreement between the Parties with respect to the subject matter hereof and thereof, and there are not other agreements, representations, or understandings, oral or written, between them with respect thereto.

20. **Counterparts.** This Lease may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

21. **No Partnership or Joint Venture.** The Lease is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or a joint venture between the Parties. Except as otherwise specifically provided in the Lease, neither Party shall be authorized to act as an agent of or otherwise to represent the other Party.

22. **Waiver of Jury Trial.** AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS LEASE (EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS LEASE OR THE TRANSACTIONS CONTEMPLATED HEREIN.

23. **Notices.** All notices, demands and other communications given or delivered under this Lease will be in writing and will be deemed to have been given when personally delivered, delivered by express courier service or delivered by facsimile machine with confirmation of receipt. Notices, demands and communications to Landlord or Tenant will, unless specified differently in writing, be sent to as indicated below:

If to Landlord: KIII Building Company, LLC
5052 Addison Circle
Addison, Texas 75001
Attn: Terry London
Facsimile: (214) 812-9625

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

Akin Gump Strauss Hauer & Feld LLP
Attn: James A. Deeken
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
Facsimile: (214) 969-4343

If to Tenant: KUQI Licensee, LLC
205 W. College Street
Lake Charles, Louisiana 70605
Attn: Lester Langley
Facsimile: [_____]

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

Koerner & Olender, P.C.
11913 Grey Hollow Court
North Bethesda, Maryland 20852
Attn: James A. Koerner
Facsimile: (301) 468-3343

24. **Other Definitional Provisions.** The terms “hereof,” “herein” and “hereunder” and terms of similar import will refer to this Lease as a whole and not to any particular provision of this Lease. Section references contained in this Lease are references to Sections in this Lease, unless otherwise specified. Each defined term used in this Lease has a comparable meaning when used in its plural or singular form. Each gender-specific term used in this Lease has a comparable meaning whether used in a masculine, feminine or gender-neutral form. Whenever the term “including” is used in this Lease (whether or not that term is followed by the phrase “but not limited to” or “without limitation” or words of similar effect) in connection with a listing of items within a particular classification, that listing will be interpreted to be illustrative only and will not be interpreted as a limitation on, or an exclusive listing of, the items within that classification.

25. **Limitation of Landlord’s Liability.** Landlord’s liability under this Lease shall be limited to Landlord’s equity interest in the Premises, and any judgments against Landlord shall be satisfied solely out of the proceeds of sale of Landlord’s equity interest in the Premises. No judgment rendered against Landlord shall give rise to any right of execution or levy against Landlord’s other assets. No individual who is Landlord or any member or partner of any joint venture, tenancy in common, firm, partnership or other form of joint ownership that is Landlord, or their heirs, personal representatives, executors, successors and assigns, shall have any personal liability to Tenant, or to any person claiming under or through Tenant, for any amount or in any capacity. Such exculpation of liability shall be absolute and without exception whatsoever.

26. **Force Majeure.** In the event that Landlord shall be delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God or other reason of like nature not the fault of the party delayed in performing work or doing acts, Landlord shall be excused for the period of delay. The period for the performance of any such act shall then be extended for the period of such delay.

27. **Time of the Essence.** Time shall be of the essence in interpreting the provisions of this Lease.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO STUDIO AND OFFICE LEASE AGREEMENT

IN WITNESS WHEREOF, Landlord and Tenant have hereunto executed this Lease as of the day and year first above written.

LANDLORD:

KIII BUILDING COMPANY, LLC

By: _____

Name:

Title:

TENANT:

KUQI LICENSEE, LLC

By: _____

Name: Lester Langley

Title: President