

## **ADVERTISING REPRESENTATION AGREEMENT**

This Advertising Representation Agreement ("Agreement") dated as of September 26, 2006, and effective as of October 1, 2006, by and between Perkin Media, LLC, a Missouri limited liability company ("Perkin"), and KY3, Inc., of Springfield, Missouri ("Representative," and, together with Perkin, the "Parties").

### **WITNESSETH**

**WHEREAS**, Perkin has the right to provide programming for Station KSPR-TV in Springfield, Missouri (the "Station"), pursuant to that certain Local Marketing Agreement dated as of the date hereof between Piedmont Television of Springfield LLC, and Piedmont Television of Springfield License LLC (collectively, "Sellers") and Perkin (the "LMA"), and will be the owner, operator and licensee of the Station upon FCC consent to the assignment of the licenses of the Station and Closing as defined in that certain Asset Purchase Agreement dated as of the date hereof between Sellers, Representative, and Perkin (the "Asset Purchase Agreement");

**WHEREAS**, Perkin wishes to appoint Representative as its advertising sales representative for the sale and placement of commercial television advertising time during the programming broadcast by Perkin, initially pursuant to the LMA and, following the Closing under the Asset Purchase Agreement, as licensee of the Station, and Representative is willing to accept such appointment, in each case on the terms and conditions set forth herein;

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

### **ARTICLE 1**

#### **DEFINITIONS**

1.1 Defined Terms. As used herein, the capitalized terms not otherwise defined herein have the meanings set forth in Appendix A.

1.2 Other Definition Provisions. The masculine form of words includes the feminine and the neuter and vice versa, and, unless the context otherwise requires, the singular form of words includes the plural and vice versa. The words "herein," "hereof," "hereunder" and other words of similar import when used in this Agreement refer to this Agreement as a whole, and not to any particular section or subsection.

### **ARTICLE 2**

#### **ADVERTISING RELATIONSHIP**

2.1 Advertising Inventory. Perkin appoints Representative as its exclusive advertising representative with respect to the Advertising Inventory of the Station, and shall,

without restriction as to how Representative may package or otherwise market the Advertising Inventory with any other advertising inventory, permit Representative to resell such Advertising Inventory to third parties, provided that the rates charged by Representative for sale of the Advertising Inventory shall be subject to the ultimate control of Perkin. Perkin shall not sell any Advertising Inventory without the express written consent of Representative, except to the extent necessary to comply with political advertising requirements.

2.2 Advertising Revenue. Representative is responsible for collecting all of the Station's accounts receivable and, subject to Section 2.8, Representative shall be entitled to all revenues generated by the sale of Advertising Inventory. Representative shall use commercially reasonable efforts to assist Perkin in satisfying its obligations with respect to accounts receivable set forth in Paragraph 14 of the LMA.

2.3 Promotion. Representative shall use commercially reasonable efforts to promote the Station in connection with the sale of Advertising Inventory, to solicit advertising for the Station, and to service advertising accounts in a business-like manner, with the aim of maximizing advertising revenue for the Station. Perkin may request the placement of a commercially reasonable number of public service announcements for broadcast on the Station. Representative shall accept and broadcast such public service announcements, provided that Perkin provides reasonable notice of its request.

2.4 Advertising Expenses; Billing and Receivables. All expenses in connection with the solicitation and sale of advertising, including, but not limited to, personnel, transportation, telephone and other overhead costs, shall be paid by Representative. Representative shall be required to provide all billing and collection for the Advertising Inventory and shall use commercially reasonable efforts to collect all amounts owed for the Advertising Inventory in accordance with industry practice; provided, that Representative shall not be obligated to institute litigation, employ any collection agency, legal counsel or other third party, or take any other extraordinary means of collection or pay any expenses to third parties to collect the amounts owed for the Advertising Inventory. Representative shall not incur any liability to Perkin for uncollected amounts or any unsold portions of the Advertising Inventory.

2.5 Exclusivity. Perkin shall not enter into any other agreements for the sale of Advertising Inventory except as set forth in the Shared Services Agreement entered into between the Parties and dated as of the date hereof (the "Shared Services Agreement").

2.6 Listing. Representative may, in its discretion, list Representative as the advertising sales representative for Perkin with respect to the Station in applicable trade listings and in its own advertising and promotional material; provided, that any such listing shall identify the applicable Licensee of the Station.

2.7 Records. With such assistance as is appropriate pursuant to the Shared Services Agreement, Perkin shall keep internal records and logs of the placement of advertisements and shall submit to Representative affidavits of performance confirming the same in accordance with industry practice within ten (10) days after the close of each broadcast month.

2.8 Sales Commission. During the term of the LMA, Representative shall pay and Perkin shall be entitled to, on the 15<sup>th</sup> day of each month, or if such date falls on a weekend or holiday, the next business day, an amount equal to \_\_\_\_\_ percent of the revenue, net of agency commissions, actually collected in the immediately previous month from the sale of the Advertising Inventory ("Sales Commission"); following the Closing under the Asset Purchase Agreement, Representative shall pay, and Perkin shall be entitled to, on the 15<sup>th</sup> day of each month, or if such date falls on a weekend or holiday a Sales Commission equal to \_\_\_\_\_ percent of the revenue, net of agency commissions, actually collected in the immediately previous month from the sale of the Advertising Inventory; in each case provided that, in the event that the Sales Commission in any month is less than Perkin's Monthly Obligations, Representative will advance to Perkin the difference between the Sales Commission and the Monthly Obligations, and Representative will have the right to set off such amounts advanced in excess of the Sales Commission against payments of the Sales Commission in months where the Sales Commission exceeds the Monthly Obligations; and provided further that, during the last month of each year, Representative shall have the right to decrease the Sales Commission paid for that month to the extent that the total of Sales Commissions paid during that year exceed the total of Perkin's Monthly Obligations. If the total annual revenues, net of agency commissions, collected during the first year of this Agreement exceed \_\_\_\_\_ (the "Target Revenues"), Representative shall pay and Perkin shall be entitled to an additional payment of 7 percent of such excess amount. Representative and Perkin shall negotiate in good faith during the Station's annual budgeting process Target Revenue amounts for subsequent years based on the Station's performance. Representative shall provide to Perkin, together with each monthly Sales Commission payment, a summary report ("Advertising Report") of all advertising sold, provided however, that Representative shall not be required to use any method of collecting such information or generating such Advertising Report other than that already employed in its role as advertising representative for, or licensee of, other commercial broadcast television stations. Representative and Perkin shall quarterly review and adjust the rate of Sales Commissions in light of changes in the Monthly Obligations and the sales of the Advertising Inventory.

2.9 Operation of the Station During the LMA. Representative acknowledges that it has been provided a copy of the LMA. Until and unless the LMA is terminated, (a) the services contemplated by this Agreement will be subject to, and are intended to comply in all respects with, the LMA, and (b) Representative shall use commercially reasonable efforts to provide the services contemplated by this Agreement so as to assist Perkin in satisfying its obligations under the LMA.

### ARTICLE 3

#### ADVERTISEMENTS

3.1 General Content. Representative shall use commercially reasonable efforts to ensure that the Advertisements comply with the Act, the FCC Rules and all other applicable federal, state and local laws in effect from time to time, including but not limited to, lottery restrictions and prohibitions on obscenity, indecency and deceptive advertising, false representations or deception of any kind or prohibited products. Representative shall also ensure that the Advertisements comply with the Policy Statement for Broadcast Material set forth as Attachment II to the LMA.

3.2 Political Broadcasting. Representative shall use commercially reasonable efforts to comply with the Act, the FCC Rules and all other applicable federal, state and local laws regarding access to airtime and rates charged for legally qualified candidates for public office and their authorized representatives. Representative shall furnish Perkin with all material required to be made available for public inspection regarding requests for time by political candidates and advertising concerning controversial issues of public importance, including information regarding receipt of any request for time by or on behalf of a political candidate or other entity for which time requests are required to be disclosed, together with an appropriate notation showing charges made. Perkin shall be entitled to sell time to political candidates directly to comply with the FCC Rules.

3.3 Sponsorship Identification. Representative shall use commercially reasonable efforts to determine when sponsorship identification announcements are required to be included in Advertisements and to ensure that the Advertisements contain all such sponsorship identification announcements as required by the Act and the FCC Rules.

3.4 Program Supplier Restrictions. Representative shall use commercially reasonable efforts to comply with all of Perkin's policies and directions and with all terms, provisions, conditions and restrictions contained in agreements with Perkin's programming suppliers governing the sale, solicitation and/or exhibition of advertising or promotional material within or on such programming.

## **ARTICLE 4**

### **OPERATIONS**

4.1 Operations Generally. Nothing in this Agreement relieves or is intended to relieve Perkin of its responsibilities under the LMA or, after the Closing under the Asset Purchase Agreement, of its ultimate responsibility for operating and maintaining the Station. Perkin remains ultimately responsible for ensuring that the Advertisements comply with the Act, the FCC Rules and all other applicable federal, state and local laws in effect from time to time, including but not limited to, the Station's compliance with all political broadcasting and sponsorship identification requirements set forth in the Act and the FCC Rules, and for complying with programming supplier agreements and all other matters referred to in Article III, including complete oversight over production of the Advertisements.

4.2 Expenses. Perkin shall be solely responsible for and shall pay, in a timely manner, all expenses related to its operation and maintenance of the Station.

4.3 Personnel. Representative shall employ and be solely responsible for personnel responsible for carrying out Representative's duties and obligations under this Agreement. Perkin shall retain and be solely responsible for its own independent personnel to carry out all duties and obligations not specifically delegated to Representative under this Agreement and to maintain supervision and control over the duties delegated to Representative under this Agreement.

4.4 Access and Right to Use Facilities. Perkin shall ensure that Representative's personnel are afforded access to, and have the right to use, without charge, the assets, facilities, and properties of the Station to the extent Representative's personnel may reasonably desire, for the purposes of conducting the activities Representative deems necessary to fulfill its obligations and enjoy its rights under this Agreement, provided that, when on the property of the Station, Representative's personnel shall be subject to the direction and control of Perkin and Perkin's personnel and, during the Term of the LMA, to the direction and control of Sellers.

4.5 Access to Information. Perkin shall provide Representative with access to such data and information as Representative may reasonably require regarding Commercial Time and Advertising Inventory. Perkin agrees to furnish Representative, upon request, such data and information Representative deems necessary for the sale of Advertising Inventory, including overnight ratings and other audience research information. Representative shall keep such information confidential if Perkin identifies such information as confidential, in writing.

4.6 Interruption of Operations. If, for any reason, the service of the Station is interrupted or the Station does not operate full time at its maximum authorized facilities ("Maximum Facilities"), Perkin shall immediately notify Representative of such interruption and shall immediately undertake such actions that are necessary to restore the Maximum Facilities and shall fully cooperate with Representative in providing make goods or other accommodations to advertisers affected by such interruption.

4.7 Control. Subject to the limitations set forth in the LMA, Perkin shall maintain full control over the operations of the Station, including, but not limited to, management, programming, program preemption, finances, editorial policies, personnel, facilities and compliance with the Act, the FCC Rules, and all other applicable laws and regulations in effect from time to time, including, without limitation, the right to accept or reject Advertisements. Nothing contained herein shall give Representative any right to control the management, programming, finances, editorial policies, program preemption, personnel, facilities operations or any other matter relating to the Station. The arrangements contemplated herein do not constitute a partnership or joint venture between the Parties. Representative shall act as agent, on an independent contractor basis, for Perkin with respect to the sale of the Station's Advertising Inventory and the servicing of such advertising accounts.

4.8 Regulatory Compliance. All arrangements contemplated herein will be subject to, and are intended to comply with, the Act, the FCC Rules and all other applicable federal, state and local laws and regulations in effect from time to time.

4.9 Compliance With Law. Perkin agrees that, throughout the term of this Agreement, Perkin shall comply in all material respects with the Act, the FCC Rules and all other laws and regulations applicable to this Agreement. Representative agrees that, throughout the term of this Agreement, and to the extent it is so subject, Representative shall comply in all material respects with the Act, the FCC Rules and all other laws and regulations applicable to the obligations of Representative under this Agreement.

4.10 Challenge. If this Agreement is challenged in whole or in part at the FCC or in another administrative or judicial forum, Representative and Perkin shall jointly defend the

Agreement and their respective performance hereunder, throughout all such proceedings. In the event that any provision of the Agreement or the application thereof to any Person, entity or circumstances shall be deemed invalid or unenforceable to any extent, by any court, administrative agency, or similar governmental authority, whether as a result of a challenge to this Agreement or a decision applicable to the broadcasting industry generally, the remainder of this Agreement and the application of such provision to other Persons, entities or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, provided that, if such invalidity or unenforceability should change the basic economic positions of the Parties, the Parties shall negotiate in good faith such changes and other terms as shall be practicable in order to restore them to their prior positions while still ensuring compliance with the court order or decision, rule, regulation or policy interpretation, application, alteration or modification. In the event that the court, administrative agency or other similar governmental authority does not approve any such reformed or revised version of this Agreement, or, in the opinion of counsel for Representative and Perkin, would only approve such reformed or revised version with conditions that have, or would reasonably be expected to have, a material adverse effect on Representative or Perkin, or in the event the Parties are unable to reach an agreement as to how to reform the Agreement, such failure to agree or obtain approval shall constitute a termination of this agreement but shall not be deemed an event of default by either party hereunder.

## **ARTICLE 5**

### **TERM AND TERMINATION; ASSIGNMENT; UNENFORCEABILITY**

5.1 Term and Termination. The Term of this Agreement shall commence on October 1, 2006, and shall terminate fifteen (15) years from the date of the Closing under the Asset Purchase Agreement; provided, that, this Agreement shall automatically renew for one additional fifteen (15) year term unless either Party notifies the other, in writing, 120 days prior to the expiration of the existing term, of its desire not to renew this Agreement, unless terminated in accordance with Section 5.2 of this Agreement.

5.2 Events of Termination. Notwithstanding Section 5.1, this Agreement shall terminate (i) at the option of Representative upon the consummation of the Sale, assignment, transfer or other disposition, directly or indirectly, of all or substantially all of the Station's assets, including the FCC licenses and authorizations for the Station, to any Person that is not an Affiliate of Perkin; (ii) by mutual written consent of the Parties; (iii) upon the termination of the Shared Services Agreement; (iv) at the option of either Party, on 30 days written notice, in the event that following a challenge of this Agreement as set forth in Section 4.10, a court, administrative agency or other similar governmental authority does not approve any such reformed or revised version of this Agreement, or approves such reformed or revised version with conditions that have, or would reasonably be expected to have, a material adverse effect on Perkin or Representative (or any of their respective Affiliates), or the Parties are unable to reach an agreement as to how to reform the Agreement; (v) at the option of either Party in the event of a material breach of this Agreement by the other Party (provided that the terminating Party is not then in breach), which breach is not cured within 30 days of written notice thereof to the breaching Party; or (vi) at the option of Representative should the FCC revoke or fail to renew

the Station license and all appeals of such action have been exhausted before the FCC and any court with jurisdiction over such action.

5.3 Assignment. Neither Party may assign its rights and/or obligations under this Agreement, either in whole or in part, without the prior written consent of the other, which shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the Parties 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 other person or entity any right, remedy or claim, legal or equitable, under or by reason of this Agreement.

## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES

#### 6.1 Representations and Warranties of Perkin.

6.1.1 Organization and Standing. Perkin is validly existing and in good standing as a limited liability company under the laws of the State of Missouri. Perkin has the requisite power and authority as a limited liability company to enter into and perform this Agreement.

6.1.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement by Perkin is within the powers of Perkin under its organizational documents and has been duly and validly authorized by all necessary action on the part of Perkin. This Agreement has been duly executed and delivered by Perkin and constitutes a valid and binding agreement of Perkin enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

#### 6.2 Representations of Representative.

6.2.1 Organization and Standing. Representative is duly incorporated and is validly existing and in good standing as a corporation under the laws of the State of Missouri. Representative has the requisite corporate power and authority to enter into and perform its obligations under this Agreement.

6.2.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement by Representative is within the corporate powers of Representative and has been duly and validly authorized by all necessary corporate action on the part of Representative. This Agreement has been duly executed and delivered by Representative and constitutes a valid and binding agreement of Representative enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

## ARTICLE 7

### INDEMNIFICATION

7.1 Indemnification of Perkin. Representative agrees to indemnify and hold harmless Perkin for any liabilities resulting from or related to any breach by Representative of any provision hereof, and all other matters arising out of or related to the obligations or performance of Representative under this Agreement, including but not limited to violations of the Act or the FCC Rules related to sponsorship identification, political advertising, children's television commercial limits and host selling, lottery or gaming advertising, and payola/plugola.

7.2 Indemnification of Representative. Perkin agrees to indemnify and hold harmless Representative for any liabilities resulting from or related to any breach by Perkin of any provision hereof, and all other matters arising out of or related to the obligations or performance of Perkin under this Agreement.

## ARTICLE 8

### MISCELLANEOUS

8.1 Headings; Entire Agreement; Amendment. The article, section and subsection headings of this Agreement are for convenience of reference only and will not control or affect the meanings or construction of the provisions of this Agreement. This Agreement, together with the Shared Services Agreement, and the Lease Agreement, the Option Agreement, and the Loan Guarantee entered into by the Parties and dated as of the date hereof, embodies the entire agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof with respect to the subject matter hereof, and there are no other agreements, representations, or understandings, oral or written, between the Parties with respect thereto. This Agreement may not be amended, modified or changed orally, but only in writing signed by the party against whom enforcement of any amendment, modification, change, waiver, extension or discharge is sought.

8.2 Waiver. No waiver of the provisions hereof shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing.

8.3 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

8.4 Rights Cumulative. Except as set forth herein, all rights, powers, privileges and remedies herein given to the parties hereto are cumulative and not alternative, and are not exclusive of any rights, powers, privileges or remedies which the Parties may have at law or by statute under this Agreement or otherwise.



8.5 Governing Law. This Agreement, and the rights and obligations of the parties hereto, shall be governed by and construed in accordance with the laws of the State of Missouri applicable to contracts made and to be performed therein.

8.6 Third Party Rights. Nothing in this Agreement shall be deemed to create any right with respect to any person or entity not a party to, or any property not subject to, this Agreement.

8.7 Force Majeure. If an event such as a strike, labor dispute, fire, flood or other act of God, war, public disaster, or other reason completely beyond the cause or control of Perkin or Representative prevents such party or its personnel from performing tasks which they are required to perform under this Agreement, then such failure will not be a breach of this Agreement and such Party shall be excused from such performance during that time.

8.8 Notices. Any notice, request, demand or consent required or permitted to be given under this Agreement shall be in writing (including telexes, telecopies, facsimile transmissions and similar writings) and shall be effective when transmitted and confirmation of receipt is obtained for telexes, telecopies, facsimile transmissions and similar writings; when delivered personally; one (1) day after being sent by recognized overnight courier; and five (5) days after being sent by registered mail, first class, postage prepaid, return receipt requested; in each case to the following address or telecopier number, as applicable:

If to Representative to:

Mr. Mike Scott  
KY3  
999 W. Sunshine  
Springfield, Missouri 65807

With copies to:

Schurz Communications, Inc.  
225 W. Colfax Ave.  
South Bend, Indiana 46626  
Attn: Ms. Marci Burdick

and

Barnes & Thornburg  
600 1<sup>st</sup> Source Bank Center  
100 North Michigan Ave.  
South Bend, Indiana 46601  
Attn: Brian J. Lake, Esq.

If to Perkin to:

Perkin Media, LLC  
6178 S. Bluff Ridge  
Ozark, Missouri 65721  
Attn: Bill Perkin

With a copy to:

Sciarrino & Associates, PLLC  
5425 Tree Line Drive  
Centreville, VA 20120  
Attn: Dawn M. Sciarrino, Esq.

or at such other address as either party shall specify by written notice to the other.

**IN WITNESS WHEREOF**, each party has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the date and year first above written.

KY3, Inc.

By: [Signature]  
Name: Michael A. Scott  
Title: Pres / GM

Perkin Media, LLC

By: [Signature]  
Name: William Perkin  
Title: President

## **Appendix A**

The term “Act” means the Communications Act of 1934, as amended, and the rules, regulations and policies promulgated thereunder, as in effect from time to time.

The term “Advertisements” means the commercial announcements sold by Representative to be broadcast on the Station.

The term “Advertising Inventory” means all of the Commercial Time, excluding: (i) national advertising reserved for and retained by the network in network programming, and (ii) advertising reserved for and retained by programming providers in nationally syndicated barter programming aired pursuant to the contractual arrangements for such programming. Advertising Inventory shall also include all paid programming and paid public service announcements.

The term “Affiliate” (and, with a correlative meaning, “Affiliated”) means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person, and, if such a Person is an individual, any member of the immediate family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. As used in this definition, “control” (including, with correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

The term “Commercial Time” means time available for commercial announcements on the Station.

The term “FCC” means the Federal Communications Commission and its staff, acting pursuant to delegated authority.

The term “FCC Rules” means the rules, regulations, policies and practices of the FCC, as amended, from time to time.

The term “Person” means any natural person, corporation, partnership, limited liability company, firm, joint venture, joint-stock company, trust, association, unincorporated entity of any kind, trust, governmental or regulatory body or other entity.

The term “Monthly Obligations” means, for any month (i) amounts necessary for Perkin to pay its expenses, if any, incurred in exercising its duties with respect to the Station, including without limitation, salaries and benefits, payments due under Perkin’s loan with respect to its acquisition of the Station, fees and expenses payable to Sellers pursuant to the LMA, costs of insurance, programming, bookkeeping, FCC compliance, FCC regulatory fees, property maintenance, payments under the Shared Services Agreement, payments under the Lease Agreement, or any other matters that the parties may agree to in writing, and (ii) one-twelfth of the annual Management Fee. The annual Management Fee shall be \$100,000 for each of the first two years following October 1, 2006, and shall be increased by 3% for each succeeding year.