

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Pledge Agreement"), dated as of the ____ day of _____, is executed by Frank V. Liebl and Karen J. Liebl, each an individual (individually, a "Pledgor," and collectively, the "Pledgors"), in favor of John E. Carl (the "Lender").

WITNESSETH:

WHEREAS, Central Iowa Broadcasting, Inc., an Iowa corporation (the "Licensee"), and the Lender have entered into a certain Agreement for Purchase and Sale of Stock of even date herewith (as the same may be amended, restated, supplemented, or otherwise modified from time to time, the "Purchase Agreement"), pursuant to which the Lender has agreed to sell his outstanding stock to the Licensee; and

WHEREAS, the Pledgors will own all of the issued and outstanding capital stock of the Licensee and will derive direct and indirect economic benefit from the loans to be made to the Borrower under the Agreement; and

WHEREAS, the Lender has required, in connection with the financial accommodations made under the Agreement, that the Pledgors execute and deliver this Pledge Agreement; and

WHEREAS, the Pledgors desire to secure payment and performance of the Obligations (as hereinafter defined) to the Lender by the grant to the Lender of a first priority security interest in the Pledged Stock (as hereinafter defined); and

WHEREAS, it is a condition precedent to the making of any sale by the Lender under the Agreement that the Pledgors shall have granted to Lender a first priority security interest in the Pledged Stock in order to secure the prompt and complete payment, observance and performance of all of the Licensee's Obligations.

NOW, THEREFORE, for and in consideration of the foregoing and of any financial accommodations or extensions of credit (including, without limitation, any loan or advance by the Lender or any renewal, refinancing or extension of the Agreement described hereinabove or otherwise) heretofore, now or hereafter made to or for the benefit of the Licensee pursuant to the Agreement or any other agreement, instrument or document executed pursuant to or in connection therewith, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and the Lender hereby agree as follows:

1. Pledge.

(a) Each Pledgor hereby pledges, grants a security interest in, mortgages, assigns, transfers, delivers, sets over, and confirms to the Lender, and its successors and assigns, the following property, viz:

All right, title and interest of the Pledgors in, under and to all capital stock of the Licensee, whether now or hereafter owned, acquired or held by such Pledgor or in which such Pledgor may now have or hereafter acquire an interest, including, without limitation, all shares of the capital stock of the Licensee, registered in the name of such Pledgor, and all certificates evidencing such capital stock with stock powers attached duly endorsed in blank, together with all options and rights to acquire or purchase such capital stock, however evidenced or arising;

as collateral security for the payment in full when due of any and all obligations and indebtedness of the Licensee to the Lender, whether direct, indirect or contingent, whether individual or joint, whether now existing or hereafter incurred and whether or not otherwise secured (all of the above-described indebtedness and obligations of the Pledgors and/or the Borrower are hereinafter collectively referred to as the "Obligations"), including, without limitation, all indebtedness, obligations and liabilities of:

- (i) the Licensee under the Agreement; and
- (ii) the Licensee under that certain Promissory Note in the original principal amount of \$320,000 issued to the Lender pursuant to the Agreement, as the same may be amended, modified, extended or restated from time to time (the "Note").

The Pledgors hereby agree promptly to pledge and deposit hereunder with the Lender any stock or other securities declared as a dividend with respect to or issued as a split of any securities now or hereafter held in pledge hereunder and any additional property hereafter pledged to the Lender by the Pledgors, whether taken in substitution for or in addition to the above-described property. Such stock, other securities and property shall stand pledged and assigned for the Obligations in the same manner as the property described in the first paragraph hereof. (All of the property pledged pursuant to or described in this Section 1(a) is hereinafter called the "Pledged Stock.")

(b) The Pledgors hereby warrant and represent to the Lender that, except as may be otherwise provided herein (i) the Pledgors are the sole owners of the Pledged Stock, free and clear of all adverse claims, (ii) there exists no pledge, lien, security interest or encumbrance in respect of the Pledged Stock, (iii) there are no restrictions upon the pledge or transfer of any interest in the Pledged Stock (other than those imposed by the Communications Act of 1934 and rules and regulations of the FCC), (iv) the Pledgors have the right to transfer the Pledged Stock free of any encumbrance (except as may be imposed by federal and state securities laws), and (v) the shares constitute all of the shares of capital stock of the Borrower.

(c) The Pledgors hereby covenant and agree as follows: (i) the Pledgors will defend the Pledged Stock against all claims and demands of all persons at any time claiming any interest therein; (ii) the Pledgors will promptly pay any and all taxes, assessments and governmental charges upon the Pledged Stock prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by the Pledgors

and adequate reserves have been set aside therefor; (iii) the Pledgors will not sell or offer to sell or otherwise assign, transfer or dispose of the Pledged Stock or any interest therein (except to another Pledgor and so long as the transferred Pledged Stock remains Pledged Stock subject to this Agreement), without the prior written consent of the Lender, which consent shall not be unreasonably withheld in the case of a transfer to an immediate family member of any such Pledgor or to a trust for such family member so long as such Pledgor retains voting control with respect to such transferred Pledged Stock and the transferred Pledged Stock remains subject to a perfected security interest in favor of the Lender pursuant to documentation reasonably acceptable to the Lender; and (iv) the Pledgors will keep the Pledged Stock free from any adverse lien, security interest, pledge or encumbrance (other than restrictions under federal and state securities laws).

2. Voting Power, Dividends, Etc.

(a) Subject at all time to the provisions of Section 8 hereof, unless and until an Event of Default (as hereinafter defined) has occurred, and the Lender shall have exercised its rights hereunder during the continuance thereof, the Pledgors shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Stock, and the Pledgors shall be entitled to receive and retain any dividends on the Pledged Stock only to the extent, if any, permitted under the terms of the Loan Agreement.

(b) Subject at all time to the provisions of Section 8 hereof, if any Event of Default shall have occurred and be continuing, at the Lender's option and election evidenced by a writing mailed to the Pledgors, and whether or not the Lender exercises, seeks or pursues any other relief or remedy available to the Lender under this Pledge Agreement, the Note or the Obligations:

(i) The Lender, or its nominee or nominees, may at its option, have the sole and exclusive right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Stock and may exercise such powers in such manner as the Lender, in its reasonable discretion shall determine to be necessary, appropriate or advisable, and, if the Lender shall so request in writing, the Pledgors agree to execute and deliver to the Lender such other and additional powers, authorizations, proxies, dividends and such other documents as the Lender may reasonably request to secure to the Lender the rights, powers and authorities intended to be conferred upon the Lender by this Subsection (b);

(ii) All dividends and other distributions on the Pledged Stock shall be paid directly to the Lender and retained by it as part of the Pledged Stock, subject to the terms of this Pledge Agreement, and, if the Lender shall so request in writing, the Pledgors agree to execute and deliver to the Lender appropriate additional dividend, distribution and other orders and documents to that end.

3. Sale of Pledged Stock After an Event of Default. If any Event of Default shall have occurred and be continuing, and the principal amount of the Note or any of the Obligations shall have been declared forthwith due and payable, then, unless the Note and the Obligations

shall have been paid in full at or before the time the notice provided for in Subsection (a) of this Section 3 shall be given or at or before the time the suit provided for in Subsection (b) of this Section 3 shall be begun, the Lender may, at its option and in its reasonable discretion, without further demand, advertisement or notice, except as expressly provided for in Subsection (a) of this Section 3, (i) apply the cash, if any, then held by it as collateral hereunder, for the purposes and in the manner provided in Section 4 hereof, and (ii) if there shall be no such cash or the cash so applied shall be insufficient to make in full all payments provided in Subsections (a) and (b) of Section 4 hereof,

(a) Sell the Pledged Stock, or any part thereof, in one or more sales, at public or private sale, conducted by any officer or agent of, or auctioneer or attorney for, the Lender, at the Lender's place of business or elsewhere, for cash, upon credit or future delivery, and at such price or prices as the Lender shall, in its sole discretion, determine, and the Lender may be the purchaser of any or all of the Pledged Stock so sold. The Lender may, in its discretion, at any such sale restrict the prospective bidders or purchasers as to their number, nature of business and investment intention, including, without limitation, a requirement that the persons making such purchases represent and agree to the satisfaction of the Lender that they are purchasing the Pledged Stock for their own account, for investment, and not with a view to the distribution or resale of any thereof. Upon any such sale the Lender shall have the right to deliver, assign and transfer to the purchaser thereof the Pledged Stock so sold. Each purchaser (including the Lender) at any such sale shall hold the Pledged Stock so sold, absolutely free from any claim or right of whatsoever kind, including, without limitation, any equity or right of redemption, of the Pledgors, which the Pledgors hereby specifically waive, to the extent the Pledgors may lawfully do so, and all rights of redemption, stay or appraisal which the Pledgors have or may have under any rule of law or statute now existing or hereafter adopted. The Lender shall give the Pledgors at least ten (10) days' prior written notice, in case of public or private sale, of such sale and shall state the time and place fixed for such sale. Any such public sale shall be held at such time or times within ordinary business hours as the Lender shall fix in the notice of such sale. At any such sale the Pledged Stock may be sold in one lot as an entirety or in separate parcels. The Lender shall not be obligated to make any sale pursuant to any such notice. The Lender may, without notice or publication, adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, or any adjournment thereof, and any such sale may be made at any time or place to which the same may be so adjourned without further notice or publication. In case of any sale of all or any part of the Pledged Stock for credit or for future delivery, the Pledged Stock so sold may be retained by the Lender until the selling price is paid by the purchaser thereof, but the Lender shall not incur any liability in case of the failure of such purchaser to take up and pay for the Pledged Stock so sold, and in case of any such failure, such Pledged Stock may again be sold under and pursuant to the provisions hereof; or

(b) Proceed by a suit or suits at law or in equity to foreclose upon this Pledge Agreement and sell the Pledged Stock, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

The Lender as attorney-in-fact pursuant to Section 5 hereof may, in the name and stead of the Pledgors, make and execute all conveyances, assignments and transfers of the Pledged Stock sold pursuant to Subsection (a) or (b) of this Section 3. The Pledgors shall, if so requested by the Lender, ratify and confirm any sale or sales by executing and delivering to the Lender or to such purchaser or purchasers, all such instruments as may, in the judgment of the Lender, be advisable for the purpose.

The receipt of the Lender for the purchase money paid at any such sale made by it shall be a sufficient discharge therefor to any purchaser of the Pledged Stock, or any portion thereof, sold as aforesaid; and no such purchaser (or his or its representatives or assigns), after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

The curing of any such Event of Default after exercise by the Lender of its rights hereunder shall not divest the Lender of its rights under this Section 3 unless and until the Lender waives said rights in writing.

4. Application of Proceeds. The proceeds of any sale, or of collection, of all or any part of the Pledged Stock shall be applied by the Lender, without any requirement for marshalling of assets, in the following order:

(a) first, to the payment of all of the reasonable costs and expenses of such sale, including, without limitation, reasonable compensation to the Lender's agents, attorneys and counsel, and all other reasonable expenses, liabilities and advances made or incurred by the Lender in connection therewith; and

(b) second, to the payment in full of the Obligations; and

(c) finally, to the payment to the Pledgors, their heirs, successors or assigns, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus remaining from such proceeds after payments of the character referred to in Subsections (a) and (b) of this Section 4 shall have been made.

5. Lender Appointed Attorney-in-Fact; Indemnity. The Lender, its successors and assigns, are hereby appointed the attorney-in-fact, with full power of substitution, of the Pledgors for the purpose of carrying out the provisions of this Pledge Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Pledgors will indemnify and save harmless the Lender from and

against any liability or damage which it may incur, in good faith and without negligence, in the exercise and performance of any of the Lender's powers and duties specifically set forth herein, except for liabilities for material misrepresentations made by the Lender to third parties.

6. No Waiver. No failure on the part of the Lender to exercise, and no delay on the part of the Lender in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Lender of any right, power or remedy hereunder preclude any other or further right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

7. Termination of Pledge. When all of the Obligations, including, without limitation, the Note, shall have been paid in full, this Pledge Agreement shall terminate. Except as may otherwise be provided or required by applicable law, the Lender shall forthwith assign, transfer and deliver to the Pledgors or the Pledgors' respective assignees, without representation, warranty or recourse, against appropriate receipts, all the Pledged Stock, if any, then held by it in pledge hereunder.

8. FCC Approval. **Notwithstanding anything to the contrary contained herein, the Lender will not take any action pursuant to this Pledge Agreement which would constitute or result in any assignment of a Federal Communications Commission ("FCC") license or any change of control of the Licensee if such assignment of FCC license or change of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. The Lender specifically agrees that (a) voting rights in the ownership interests of the Pledgors will remain with the holders thereof even in an Event of Default unless any required prior consent of the FCC shall be obtained to the transfer of such voting rights; (b) in an Event of Default, there will be either a private or public sale of the ownership interests of the Pledgor; and (c) prior to the exercise of stockholder or other equityholder rights by a purchaser at such sale, the prior consent of the FCC, pursuant to 47 U.S.C. §310(d), in each case only if required, will be obtained prior to such exercise.** The Pledgors agree after the occurrence of any Event of Default and exercise by the Lender of its rights hereunder during the continuance thereof to take any action which the Lender may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Lender by this Pledge Agreement and each other agreement, instrument and document delivered to the Lender in connection herewith or in any document evidencing or securing the collateral for the Note or any of the Obligations, including specifically, the use of the Pledgors' commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Pledge Agreement which is then required by law, and specifically, without limitation, upon request, to sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of any Obligations secured hereby.

9. Obligation of Pledgors Unconditional. The Pledgors hereby agree that:

(a) The Pledgors' obligations hereunder are unconditional, irrespective of: (i) the legality, validity or enforceability of the Obligations; (ii) the legality, validity or enforceability of any security interest, mortgage or pledge granted by the Borrower or any other person as collateral for the Obligations, any guarantee, suretyship, letter of credit or reimbursement agreement issued by any person secondarily or otherwise liable for any of the Obligations, any right of set-off against any deposit account or credit on the Lender's books in favor of the Borrower or any person secondarily or otherwise liable for any of the Obligations, or any other device providing collateral security for payment of the Obligations (all of the above referenced devices being referred to herein as the "Collateral Security"); (iii) the failure by the Lender for any reason to resort to, enforce or exhaust its remedies under or against the Obligations or the Collateral Security; (iv) the waiver or consent by the Lender with respect to any term or condition of the Obligations or the Collateral Security; (v) the recovery of any judgment against the Borrower or any action to enforce such judgment or any other circumstance which might, absent the unconditional nature of this Pledge Agreement, constitute a legal or equitable discharge of, or defense to, any obligation of the Pledgors hereunder.

(b) The Lender may at any time, or from time to time, in the Lender's sole discretion: (i) change, alter, renew, continue, waive, terminate, or extend or accelerate the time of payment of, all or any of the Borrower's Obligations, or any part or parts thereof or any renewal or renewals thereof; (ii) replace any existing Borrower's Obligation and the documentation therefor with an amended and restated Obligation and the documentation therefor; (iii) sell, exchange, release, compromise or surrender all or any of the property which is the subject of the Collateral Security, or any part or parts thereof, with respect to which the Lender may now or hereafter have an interest (the "Collateral"); (iv) sell or purchase any or all of the Collateral at public or private sale, or at any broker's board, and after deducting all costs and expenses of every kind for collection, sale or delivery, apply the proceeds of any such sale or sales against any of the Obligations; (v) settle or compromise any or all of the Obligations with the Borrower, or any other person or persons liable thereon, or subordinate the payment of same or any part thereof to the payment of any other debts or claims which may at any time be due or owing to the Lender or to such other person; all in such manner and upon such terms as the Lender may see fit and without notice to or the consent from any Pledgor, who hereby agrees to be and remain bound upon this Pledge Agreement, irrespective of the effect upon the existence or status of the Obligations or the Collateral Security of any extension, acceleration, sale, exchange, release, compromise, surrender, applications, settlement, subordination or any other action hereinabove mentioned.

10. Governing Law. This Pledge Agreement shall in all respects be construed and interpreted in accordance with and governed by the laws of the State of Iowa applicable to contracts made and performed in said state.

11. Successors and Assigns. This Pledge Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Pledgors and the Lender, and any subsequent lawful holders of the Note or the Obligations. This Pledge Agreement is for the benefit of any and all future lawful holders of the Note or the Obligations in addition to the Lender, each of whom shall, without further act, become a party hereto by becoming a holder of the Note or the Obligations.

12. Additional Instruments and Assurance. The Pledgors hereby agree to execute and deliver, from time to time, any and all further, or other, instruments, and to perform such acts, as the Lender may reasonably request to effect the purposes of this Pledge Agreement and to secure to the Lender, and to all persons who may from time to time be a lawful holder of the Note or the Obligations, the benefits of all rights, authorities and remedies conferred upon the Lender by the terms of this Pledge Agreement.

13. Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and either mailed, sent by nationally recognized overnight courier service, or delivered to the applicable party at the addresses indicated below.

If to the Lender:

John E. Carl
325 East 92nd Street North
Kellogg, IA 50135

If to Pledgors:

Frank V. Liebl
P.O. Box 66
Newton, IA 50208

or, as to each party, at such other address as shall be designated by such parties in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communication shall be deemed given upon receipt by the party to whom such notice is directed.

14. Severability. In case any one or more of the provisions of this Pledge Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Pledge Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been included.

15. Events of Default. An Event of Default hereunder shall be deemed to have occurred if (a) any Pledgor shall default in the performance of any obligation or covenant of the

Pledgors contained in this Pledge Agreement, or (b) if any representation or warranty made by any Pledgor to the Lender shall be false or misleading in any material respect when made.

16. Consent to Jurisdiction; Service of Process. Each Pledgor, to the extent that such Pledgor may lawfully do so, hereby consent to the jurisdiction of the courts of the State of Iowa and of each state in which the Borrower is now or hereafter located (collectively, the “Designated Jurisdictions”) and the United States District Courts sitting in or having jurisdiction in the Designated Jurisdictions, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations arising hereunder or with respect to the transactions contemplated hereby.

18. Joint and Several Agreement. All obligations of the Pledgors hereunder are the joint and several obligations and undertakings of each person signing this Pledge Agreement as a “Pledgor.”

19. Headings. The headings of the Sections of this Pledge Agreement have been inserted for convenience of reference only and shall in no way affect the construction or interpretation of this Pledge Agreement.

20. Integration. This Pledge Agreement supersedes all prior negotiations and dealings between the parties hereto and their respective agents, employees or officers with respect to the subject matter hereof and this Pledge Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof.

21. Counterparts. This Pledge Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Pledge Agreement as an instrument under seal as of the date first above written.

Pledgors:

Frank V. Liebl

Karen J. Liebl

Lender:

John E. Carl