

**AMENDED AND RESTATED  
COMMON STOCK OPTION FOR COMMON VOTING STOCK  
OF H AND P COMMUNICATIONS, INC.**

**THIS AMENDED AND RESTATED COMMON STOCK OPTION** (this "Option") is entered into this 22<sup>nd</sup> day of April, 2005 (the "Option Grant Date") by and between Cecil Heftel ("Heftel") and Cunningham Broadcasting Corporation ("Holder").

**Recitals**

Heftel is a fifty percent (50%) stockholder in H and P Communications, Inc., a Nevada corporation (the "Corporation"), which owns ninety percent (90%) of the issued and outstanding stock of WDBB-TV, Inc., an Alabama corporation ("WDBB"), which operates WDBB-TV, Channel 17, in Tuscaloosa, Alabama (the "Station").

By that certain Stock Option for Common Voting Stock of H and P Communications, Inc. dated November 9, 1995 (the "Option Grant Date"), Heftel granted to Sinclair Broadcast Group, Inc. ("SBG") the right to acquire all of the Common Stock (the "Heftel Shares") held by Heftel in H and P Communications, Inc. (the "Original Option Agreement").

By that certain Assignment and Assumption of Options to Acquire Common Stock of WDBB-TV, Inc. (the "Assignment") dated May 4, 2004, a copy of which is attached hereto as Exhibit A, Holder acquired the option to acquire the Heftel Shares from SBG.

As a result of the Assignment, Heftel and Holder desire to enter into this Amended and Restated Common Stock Option for Common Voting Stock of H and P Communications, Inc.

Heftel has agreed to enter into this Option with the Holder such that, upon the occurrence of the Option Closing Date (as defined in Section 6 hereof) and the occurrence of certain other option closing dates of two other common stock options (as the option closing dates are defined therein) with Carl Parmer and D&C, L.L.C., the Holder will directly or indirectly own one hundred percent (100%) of the issued and outstanding stock of WDBB.

1. **Option Grant.** Heftel hereby grants to Holder, subject to the terms and conditions hereinafter set forth, the option to purchase an aggregate of one thousand (1,000) shares of common stock, no par value (the "Common Stock"), of the Corporation as shall, immediately upon the exercise of this Option by the Holder and the transfer of the Common Stock pursuant hereto, vest in the Holder title to and beneficial ownership in the Common Stock.

2. **Condition Precedent to Exercise.** The parties hereto do not intend for the grant of this Option or any of the other undertakings contemplated hereby to violate any of the current rules, regulations, or policies of the Federal Communications Commission ("FCC"). Therefore,

this Option may only be exercised by the Holder in the event the transactions contemplated by this Option are in compliance with the rules, regulations, and policies of the FCC then existing.

3. **Termination Date.** Holder may exercise the Option within five (5) calendar years from the Option Grant Date (the "Exercise Period"); and upon the failure of Holder to deliver the Exercise Notice (as defined in Section 5 hereof) within the Exercise Period, the Option shall expire; provided, however, that the Closing (as defined in Section 6 hereof) on this Option may take place after the expiration of the Exercise Period as long as Holder has delivered the Exercise Notice to Heftel in accordance with Section 5 hereof prior to the expiration of the Exercise Period. The Exercise Period may be extended for an additional five (5) calendar years by written notice by Holder to Parmer on or before the expiration of the initial Exercise Period.

4. **No Partial Exercise.** This Option may only be exercised by Holder for all, but not less than all, of the Common Stock.

5. **Method of Exercise.** In order to exercise this Option, Holder must deliver to Heftel written notice ("Exercise Notice") of Holder's intention to so exercise by delivering to Heftel a notice substantially in the form attached hereto as Exhibit B, duly executed. The date upon which any Exercise Notice shall be delivered shall be referred to as the "Exercise Date". Holder may withdraw any Exercise Notice prior to the Option Closing Date (as that term is defined in Section 6 hereof) by written notice of that effect to Heftel. Upon withdrawal of any Exercise Notice, Holder shall reimburse Heftel for all reasonable out-of-pocket expenses, including, without limitation, reasonable attorney's fees incurred by Heftel and the Corporation in connection with their compliance with Section 11(a)(viii) of this Option with respect to such Exercise Notice. Nothing contained in this Section 5 shall or is meant to prohibit Holder from subsequently exercising the Option during the Exercise Period after any such withdrawal.

6. **Closing.** The closing of the acquisition of the Common Stock after delivery of the Exercise Notice (the "Closing") shall be on a business day no later than thirty (30) days subsequent to the date the grant by the FCC of all approvals to the transfer of control of WDBB to Holder, its subsidiary, or assignee, shall have become "final" without any condition or qualification materially adverse to Holder. For purposes of this Option, "final" shall mean action by the FCC as to which no further steps (including those of appeal or certiorari) can be taken at any action or proceeding to review, modify, or set the determination aside whether under Section 402 or 405 of the Communications Act of 1934, or otherwise; provided; however, that Heftel, the Corporation, and Holder agree to waive the necessity of a "final" grant as provided in this Section 6 and proceed to closing on "Initial Grant" (as defined below) as long as Holder has received any necessary consents and approvals of Holder's then-existing lenders, if any, which consents and approvals Holder shall use its best efforts to obtain. "Initial Grant" shall be defined for purposes of this Option as the date of the publication of the FCC "Public Notice" announcing the grant of the "Assignment Application(s)" for transfer of control of WDBB to Holder or its subsidiary or assignee, which contains no conditions materially adverse to Holder. The terms "Public Notice" and "Assignment Application(s)" have the same meaning herein as are generally given to such terms under existing FCC rules, regulations, and procedures.

Notwithstanding anything to the contrary in the immediately preceding paragraph, in the event it becomes unnecessary to seek or receive consent from the FCC to the transfer of control of WDBB to Holder, its subsidiary, or assignee, then Closing shall occur within thirty (30) days of the exercise of this Option by Holder.

For purposes of this Option, the "Option Closing Date" shall mean the day upon which the Closing occurs.

7. **Consideration Price.** On the Option Closing Date, Holder shall pay to Heftel Eighty Five Thousand Dollars (\$85,000.00) (the "Option Exercise Price") by wire transfer of immediately available funds.

8. **Deliveries on the Option Closing Date.** All actions at the Closing shall be deemed to occur simultaneously, and no document or payment shall be deemed to be delivered or made until all documentation or payments are delivered or made to the reasonable satisfaction of Holder, Heftel, and their respective counsel.

(a) **Deliveries by Heftel on the Option Closing Date.** At the Closing, Heftel shall deliver to Holder such instruments of conveyance and other customary documentation which shall in form and substance be reasonably satisfactory to Holder and its counsel, including, without limitation, the following:

- (i) a receipt for the Option Exercise Price;
- (ii) a certificate as to the existence and good standing of the Corporation issued by the Nevada Secretary of State dated shortly before the Option Closing Date;
- (iii) a certificate or certificates for the Common Stock, duly endorsed by Heftel to Holder, together with such stock powers endorsed in blank as may be requested by Holder, and with such other documentation as Holder deems legally necessary to transfer title to and beneficial ownership in the Common Stock into the name of Holder;
- (iv) a certificate signed by Heftel and the President and Secretary of the Corporation certifying as to (1) the equity ownership (both in terms of number of shares owned and percentage of total ownership) of Heftel in the Corporation; (2) the equity ownership (both in terms of the number of shares owned and percentage of total ownership) of the Corporation in WDBB; and (3) the names and equity ownership (both in terms of number of shares owned and percentage of total ownership) of all other owners of equity in the Corporation;
- (v) opinions of counsel to the Corporation as to the accuracy of 8(a)(ii) and (a)(iv) above; and

(vi) such other documents that Holder shall reasonably request.

(b) **Deliveries by Holder on the Option Closing Date.** At the Closing, Holder shall deliver to Heftel the Option Exercise Price and such instruments of assumption and other customary documentation as shall in form and substance be reasonably satisfactory to Heftel and his counsel, including, without limitation, the following:

(i) the Option Exercise Price which shall be delivered in the manner set forth in Section 7;

(ii) a certificate as to the existence and good standing of Holder issued by the Department of Assessments and Taxation of Maryland shortly before the Option Closing Date; and

(iii) such other documents as Heftel shall reasonably request.

9. **Representations and Warranties of Heftel.** Heftel represents and warrants to the Holder, as of the Option Grant Date and as of the Option Closing Date, the following:

(a) Heftel is the sole beneficial owner of the Common Stock and has the sole unrestricted (excluding restrictions imposed by federal and state securities laws) right to enter into this Option and sell the Common Stock to the Holder.

(b) The Common Stock is validly issued, fully paid, and non-assessable, free from and clear of all restrictions, liens, security interests, and encumbrances.

(c) The Common Stock represents fifty percent (50%) of all of the Corporation's issued and outstanding shares (whether common, preferred, voting, or non-voting) and all of the Corporation's shares (whether common, preferred, voting, or non-voting) owned at such time by Heftel.

(d) Heftel does not own or have rights in or to any stock options, stock appreciation rights, warrants, convertible debt instruments or securities, or any other rights to purchase or own any equity of the Corporation in addition to that equity of the Corporation evidenced by the Common Stock.

(e) Upon transfer of the Common Stock to Holder pursuant to the terms hereof, Heftel shall transfer and the Holder shall receive good and marketable title to and beneficial ownership in the Common Stock free from and clear of all liens, security interests, and encumbrances.

(f) The grant of the Option shall not constitute a default under any instrument, contract, or other agreement to which Heftel is or shall be a party.

(g) The stock owned by the Corporation in WDBB constitutes all of the assets owned by the Corporation, and the Corporation neither owns nor maintains any other assets.

(h) Exhibit C hereto constitutes all of the outstanding liabilities of WDBB.

(i) Prior to the Assignment, Heftel has received the payments due him pursuant to Sections 7(a) and 7(b) of the Original Option Agreement.

(j) The H and P Note and the Seller Note, both as defined in the Original Option Agreement, have been paid in full.

10. **Representations and Warranties of Holder.** As an inducement to Heftel to enter into this Option, Holder represents and warrants to Heftel, as of the Option Grant Date and as of the Option Closing Date, the following:

(a) Holder is a corporation duly organized, validly existing, and in good standing under the laws of the State of Maryland. Holder has the requisite power and authority to enter into the transactions contemplated hereby and to consummate the transactions contemplated by this Option.

(b) All corporate actions or proceedings necessary to be taken by on the part of Holder in connection with the execution and delivery of this Option and the consummation of the transactions contemplated hereby and necessary to make the same effective have been duly and validly taken. This Option has been duly and validly authorized, executed, and delivered by Holder, and constitutes its valid and binding agreement, enforceable in accordance with and subject to its terms, except as limited by laws affecting the enforcement of creditors' rights or contractual obligations generally.

(c) Neither the execution and delivery by Holder of this Option, nor the consummation by Holder of the transactions contemplated hereby, will constitute or, with the giving of notice or the passage of time or both, would constitute a violation of or conflict with or result in any breach of or any default under any of the terms, conditions, or provisions of any judgment, law, or regulation or Holder's certificate of incorporation or bylaws, or any contract, agreement, or instrument to which Holder is a party or by which it is bound.

11. **Covenants.** During the term of this Option and until title to and beneficial ownership in the Common Stock transfers to Holder, Heftel covenants and agrees, as follows:

(a) **Affirmative Covenants.**

(i) to undertake any and all reasonable actions and comply with all reasonable requests of Holder delivered to Heftel in writing which in any way pertain to the delivery of the Common Stock and the transfer of title to and beneficial ownership therein to the Holder upon the exercise of the Option;

(ii) to pay all state, federal, and local taxes when due and on a current basis, except to the extent any such fees are the subject of a good faith challenge by Heftel;

(iii) to undertake any and all actions which Holder may reasonably deem both necessary and appropriate to preserve Heftel's title to and beneficial ownership in the Common Stock, as well as the Holder's rights to acquire the Common Stock pursuant to the terms of this Option;

(iv) to keep the Common Stock and Heftel's title thereto and beneficial ownership therein free from and clear of all restrictions, liens, claims, security interests, and encumbrances;

(v) to transfer title to and beneficial ownership in the Common Stock to the Holder upon the exercise of this Option free from and clear of all restrictions, liens, claims, security interests, and encumbrances;

(vi) to cause the Certificate or Certificates evidencing the Common Stock to be endorsed restrictively, as follows:

"This Certificate and the ownership thereof is subject to an Amended and Restated Common Stock Option Agreement dated \_\_\_\_\_, 2004 which restricts the transfer of this Certificate and of the Common Stock evidenced thereby. A copy of the Common Stock Option Agreement is maintained for review at the offices of the Corporation.";

(vii) to, in his capacity as a director and/or officer of the Corporation, cause the Corporation as a shareholder of WDBB:

(y) to file all application(s) (the "Application(s)") to renew the Station's FCC license and broadcast authorities ("FCC Authorizations");

(z) to take all commercially reasonable steps to prosecute and defend such Application(s) to a successful conclusion resulting in renewal of the FCC Authorizations on terms no less favorable than those existing prior to the renewal process; and

(viii) upon receipt of an Exercise Notice to cause WDBB and the Corporation to file promptly all Application(s) for the transfer of control of WDBB to Holder or to its subsidiary or assignees, as the case may be, and take all commercially reasonable steps to prosecute and defend such Application(s) to a successful conclusion resulting in the transfer of control of WDBB to Holder or its subsidiary or assignee.

(b) **Negative Covenants.**

(i) not to transfer or cause to be transferred any of the Common Stock or his beneficial ownership interest therein during the term of this Option except to Holder;

(ii) not to acquire any additional securities or the rights to acquire additional securities of the Corporation;

(iii) not to undertake, initiate, support, and/or vote as a director and/or officer of the Corporation for any action which would cause the Corporation to sell, lease, transfer, convey, or encumber any of its assets or, as a shareholder of WDBB, to vote in favor of any sale, lease, transfer, conveyance, or encumbrance of any and all of the assets of WDBB;

(iv) not to undertake, initiate, support, and/or vote as a director and/or officer of WDBB for any action which would cause WDBB to sell, lease, transfer, convey, or encumber any and all of the assets of WDBB;

(v) not to undertake, initiate, support, and/or vote as a director and/or officer of the Corporation for any action which would cause the Corporation to incur any debt or other liabilities;

(vi) not to undertake, initiate, support, and/or vote as a director and/or officer of WDBB for any action which would cause WDBB to incur any debt or other liability other than that existing on the Option Grant Date; and

(vii) not to subject the Corporation to the assumption of any liabilities in excess of those set forth on Exhibit C without the express consent of Holder.

12. **Dividends.** All cash dividends upon the Common Stock between the Option Grant Date and the expiration of this Option shall belong and be payable to Heftel absolutely.

13. **Survival of Option on Certain Additional Events.** This Option shall survive any consolidation of the Corporation with or merger of the Corporation into any other corporation; any share exchange as defined in the Corporations and Associations Article of the Annotated Code of Maryland; any transfer of all or substantially all of the assets of the Corporation; or the dissolution, liquidation, or winding up of the Corporation; and in such event, the Holder shall receive from the Corporation notice of said event ninety (90) days prior to the date which shall be the record date for determining the holders of Common Stock entitled to vote upon such consolidation, merger, share exchange, transfer, dissolution, liquidation, or winding up.

14. **Transferability.** This Option may be assigned, pledged, hypothecated, sold, or otherwise transferred or encumbered in the sole discretion of the Holder with or without notice thereof to Heftel or the Corporation.

15. **Notices.** All notices, demands, and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be delivered personally, or sent by nationally recognized overnight delivery service, charges prepaid, or by registered or certified mail, return-receipt requested, and shall be deemed to have been given or made when personally delivered the next business day after delivery to such overnight delivery service or five (5) days after deposited in the mail, prepaid registered or certified mail, addressed as follows:

If to Cecil Heftel:

Mr. Cecil Heftel  
Broadcast Media Group, LLC  
8367 W. Flamingo Road  
Suite 200  
Las Vegas, Nevada 89147

With Copy to:

Frederick Gartside, Esquire  
Jeffer, Nagels, Butler & Marmaro  
2121 Avenue of the Stars, 10th Floor  
Los Angeles, California 90067-5010

or at such other address as Heftel may designate by notice to the Holder, and

If to Holder:

Mr. Robert L. Simmons  
Ms. Lisa Asher  
Cunningham Broadcasting Corporation  
2000 W. 41st Street  
Baltimore, Maryland 21211

With Copy to:

Steven A. Thomas, Esquire  
Thomas & Libowitz, P.A.  
100 Light Street, Suite 1100  
Baltimore, Maryland 21202-1053

or at such other address as the Holder may designate by notice to Heftel.

16. **Governing Law.** This Option shall be governed by, construed, and enforced in accordance with the laws of the State of Maryland.

17. **Successors and Assigns.** All of the provisions of this Option shall be binding upon Heftel and his heirs and personal representatives, the Corporation and its successors and assigns, and the Holder and its successors and assigns.



18. **Entire Agreement.** This Option shall supersede all prior agreements between the parties relating to its subject matter, and there are no other agreements or understandings between them concerning its subject matter hereof.

19. **Counterparts.** This Option may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. **FCC Approvals.** Since Holder has no right to acquire the Common Stock without FCC review, consent, and approval and since no transfer of control, as contemplated by existing FCC rules, regulations, or policies is currently contemplated or intended hereby, the parties hereto have not made, nor do they intend to make, any requests for review by or filings with the FCC in connection with this Option. If it is later determined by HefTel or Holder that any of the transactions contemplated by this Option are subject to FCC review, consent, and/or approval, the parties agree to cooperate with each other and expeditiously file for and seek to obtain all necessary FCC approvals and consents, including, but not limited to, the filing of any appropriate FCC applications seeking a change of control or other modification to the ownership of the Station. Any and all costs associated with any FCC filing or applications will be shared equally between the Holder and HefTel.

21. **Injunctive Relief.** This Option is unique in nature and, as such, HefTel recognizes that Holder may not have an adequate remedy of law in the event HefTel breaches his obligations under this Option. Accordingly, HefTel agrees that Holder may, in addition to and in conjunction with any other available remedy, obtain an injunction and/or to seek specific performance against HefTel to enforce HefTel's duties and responsibilities, as well as its rights hereunder.

22. **Further Assurances.** From time to time prior to, at, and after the Closing Date, each party hereto will execute all such instruments and take all such actions as the other party being advised by counsel shall reasonably request in connection with carrying out and effectuating the intent and purpose hereof, and all transactions and things contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments, in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby.

[REST OF PAGE LEFT INTENTIONALLY BLANK  
-- SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Option to be signed under seal as of the date first above written.

WITNESS/ATTEST:

\_\_\_\_\_


HEFTEL:

\_\_\_\_\_(SEAL)  
Cecil Heftel

HOLDER:

CUNNINGHAM BROADCASTING  
CORPORATION

  
\_\_\_\_\_

By:   
Name: Robert L. Simmons (SEAL)  
Title: President

05/17/05 14:12 FAX 703 812 0486

FLETCHER HEALD

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MAY-17-2005 09:02 AM JOYCE HEFTEL

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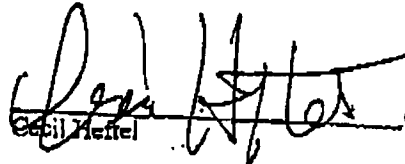
FLETCHER HEALD

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WITNESS/ATTEST:

HEFTEL:

  
Cecil Heftel (SEAL)

HOLDER:

CUNNINGHAM BROADCASTING  
CORPORATION

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**

**[CUNNINGHAM LETTERHEAD]**

[Date]

Mr. Cecil Heftel  
6767 West Tropicana Avenue  
Las Vegas, Nevada 89103

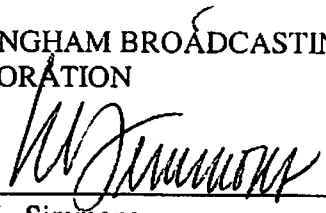
**Re:    *Amended and Restated Common Stock Option for Common  
Voting Stock of H and P Communications, Inc. (the "Corporation")  
by and between Cecil Heftel ("Heftel") and Cunningham  
Broadcasting Corporation ("CBC") dated as of \_\_\_\_\_, 2005 (the "Option")***

Dear Mr. Heftel:

Pursuant to the terms and conditions of Section 5 of the Option, the undersigned hereby exercises its right to acquire one thousand (1,000) shares of common voting stock of the Corporation. Closing on this transaction shall take place in accord with the provisions of Section 6 of the Option. Please prepare all necessary documentation necessary for closing pursuant to the Option.

CUNNINGHAM BROADCASTING  
CORPORATION

By: \_\_\_\_\_

  
Robert L. Simmons  
2000 W. 41st Street  
Baltimore, Maryland 21211

cc:    Frederick Gartside, Esquire  
      Clinton R. Black, IV

**EXHIBIT B**

**[CUNNINGHAM LETTERHEAD]**

**[Date]**

Mr. Cecil Heftel  
6767 West Tropicana Avenue  
Las Vegas, Nevada 89103

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**CUNNINGHAM BROADCASTING  
CORPORATION**

By: \_\_\_\_\_

Robert L. Simmons  
2000 W. 41st Street  
Baltimore, Maryland 21211

cc:   Frederick Gartside, Esquire  
      Clinton R. Black, IV