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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): KTEH FOUNDATION
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other NONPROFIT PUBLIC-BENEFIT CORPORATION
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: THE DAVID AND LUCILE PACKARD FOUNDATION
Internal Address:
Street Address: 300 SECOND STREET
City: LOS ALTOS State: CA Zip: 94022
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other NONPROFIT PUBLIC-BENEFIT CORPORATION

OFFICE OF PUBLIC RECORDS
2003 OCT -2 PM 12: 20
FINANCE SECTION

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: SEPTEMBER 1, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) 2,392,538
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name REX D. FRAZIER, ESQ.
Internal Address
PILLSBURY WINTHROP LLP
Street Address: 725 SOUTH FIGUEROA STREET
City: LOS ANGELES State: CA Zip: 90017-5406

6. Total number of applications and registrations involved: 1
7. Total fee (37 CFR 3.41): \$ 40.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 16-1805
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
Signature: REX D. FRAZIER
Date: Oct 1 2003

Total number of pages including cover sheet, attachments, and document: 41

SECURITY AGREEMENT

This Agreement, dated as of September 1, 2003, is made by KTEH FOUNDATION, a California nonprofit public benefit corporation (the "Borrower"), in favor of THE DAVID AND LUCILE PACKARD FOUNDATION, a California nonprofit public benefit corporation (the "Guarantor").

Recitals

A. In connection herewith, the Borrower and the Guarantor are entering into a Guaranty Reimbursement Agreement dated as of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Reimbursement Agreement"). Terms defined in the Reimbursement Agreement and not otherwise defined herein have the same respective meanings when used herein, and the rules of interpretation set forth in Section 1.3 of the Reimbursement Agreement are incorporated herein by reference.

B. It is a condition precedent to the effectiveness of the Reimbursement Agreement that the Borrower execute and deliver this Agreement, and the Borrower accordingly agrees as set forth below.

1. Definitions. Unless the context otherwise requires, terms defined in the Uniform Commercial Code of the State of California (the "Uniform Commercial Code") and not otherwise defined in this Agreement or in the Reimbursement Agreement shall have the meanings defined for those terms in the Uniform Commercial Code. In addition, the terms set forth below shall have the meanings respectively set forth after each.

"Advertising Displays" means all posters, signs, billboards and other advertising displays.

"Certificates" means all certificates, instruments and other documents now or hereafter representing or evidencing any Pledged Securities or any Pledged Limited Liability Company Interests.

"Collateral" means all present and future right, title and interest of the Borrower in and to any personal property or assets whatsoever, whether now owned or hereafter acquired, whether now or hereafter existing and wherever located, and all rights and powers of the Borrower to transfer any interest in or to any property or assets whatsoever, including any and all of the following property, except that the term "Collateral" specifically excludes any personal property of the Borrower constituting equipment acquired under grants from the Public Telecommunications Facility Program (PTFP), National Telecommunications and Information Agency, Department of Commerce to the extent and at such times, but only to the extent and at such times, as the inclusion of such equipment as Collateral would constitute an unlawful

disposition of, or an unlawful encumbrance upon, the Borrower's title or other interests in the equipment acquired under a PTFP grant during the federal interest period for such equipment within the meaning of 15 C.F.R. §2301.22:

(a) all accounts, accounts receivable, agreements, grants, donations, pledges for contributions, bequests, guaranties, contracts (including the Material Contracts), leases, licenses (including all leases or licenses of transmitters, transmitter towers and related equipment, and all sites at which Advertising Displays are located), contract rights, health care insurance receivables, letter-of-credit rights and other rights to payment (collectively the "Accounts"), together with all instruments, documents, chattel paper, security agreements, guaranties, undertakings, surety bonds, insurance policies, notes and drafts, all other supporting obligations and all other forms of obligations owing to the Borrower or in which the Borrower may have any interest, however created or arising;

(b) all general intangibles, including the rights of the Borrower in and to all Media Licenses (including all licenses, permits, and other authorizations issued by the FCC and held by the Borrower (the "FCC Licenses"), including all FCC Licenses used or useful in the business and operation of the Stations as described in Schedule A (as such schedule may be supplemented from time to time in accordance with the terms hereof), all goodwill, all going-concern value, all of the Borrower's rights under or relating to any Media License and the proceeds of any Media License and the right to receive money or other consideration upon the sale, assignment or transfer of any Media License; provided, however, that the Collateral does not include at any time any license granted by the FCC to the extent, but only to the extent, that the Borrower is prohibited at that time from granting a security interest therein pursuant to the Communications Act of 1934 and the policies and regulations promulgated thereunder, but includes, to the maximum extent permitted by law, all rights incident or appurtenant to each such Media License and the rights to receive all proceeds derived from or in connection with the sale, assignment or transfer of each such Media License) and with respect to all Advertising Displays, all tax refunds of every kind and nature to which the Borrower now or hereafter may become entitled, however arising, all other refunds, all commitments to extend financing to the Borrower, all rights of the Borrower with respect to Internet sites owned or operated by the Borrower and all deposits, goodwill, choses in action, trade secrets, computer programs, software, customer lists, trademarks, trade names, patents, licenses, copyrights, technology, processes, proprietary information, insurance proceeds and warranties, including the Copyrights, the Patents, the Marks and the Programs, and the goodwill of the Borrower's business connected with and symbolized by the Marks;

(c) all demand, time, savings, passbook, deposit and like accounts (general or special) (collectively the "Deposit Accounts") in which the Borrower has any interest that are maintained with any bank, savings and loan association, credit union or like organization, including each account listed on Schedule F (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), and all money, cash and cash equivalents of the Borrower, whether or not deposited in any Deposit Account;

(d) all books and records, including books of account and ledgers of every kind and nature, all electronically recorded data relating to the Borrower or the business thereof, all receptacles and containers for such records, and all files and correspondence;

(e) all goods, including all equipment, machinery, cameras, recording equipment, transmitters, transmitting towers, broadcasting equipment, videotapes, audiotapes and other recorded media, all tools, molds, dies, furniture, furnishings, fixtures, trade fixtures, motor vehicles and Advertising Displays, all other tangible property owned by the Borrower and used, held for use or useful in connection with its business and all other goods used in connection with or in the conduct of the Borrower's business or otherwise owned by the Borrower (collectively the "Equipment");

(f) all inventory and merchandise, including all goods held for sale or lease or to be furnished under a contract of service, all videotapes, audiotapes and other recorded media, all Advertising Displays, all raw materials, work in process and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts and documents of title relating to any of the foregoing (collectively the "Inventory");

(g) all stocks, bonds, debentures, certificated and uncertificated securities, security entitlements, subscription rights, options, warrants, puts, calls, certificates, securities accounts, commodity contracts, commodity accounts, partnership interests, limited liability company interests, joint venture interests and investment and/or brokerage accounts, and all other investment property, including the Certificates, the Pledged Securities, the Pledged Partnership Interests and the Pledged Limited Liability Company Interests, and all rights, preferences, privileges, dividends, distributions (in cash or in kind), redemption payments or liquidation payments with respect to the foregoing;

(h) all accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

(i) all other tangible and intangible personal property of the Borrower;

(j) all rights, remedies, powers and/or privileges of the Borrower with respect to any of the foregoing; and

(k) any and all proceeds and products of the foregoing, including all money, accounts, general intangibles, deposit accounts, documents, instruments, letter-of-credit rights, investment property, chattel paper, goods, insurance proceeds and other tangible or intangible property received upon the sale or disposition of any of the foregoing.

"Copyrights" means:

(a) all copyrights, whether or not published or registered under the Copyright Act of 1976, 17 U.S.C. Section 101 *et seq.* (the "Copyright Act"), all applications for

registration of copyrights and all works of authorship and other intellectual-property rights therein, including copyrights for computer programs, source code and object code databases and related materials and documentation, and including the registered copyrights and copyright applications listed on Schedule B (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), and (i) all renewals, revisions, derivative works, enhancements, modifications, updates, new releases and other revisions thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof and (iv) all of the Borrower's rights corresponding thereto throughout the world;

(b) all rights under or interests in any copyright license agreements with any other party, whether the Borrower is a licensee or licensor under any such license agreement, including the copyright license agreements listed on Schedule B (as such schedule may be supplemented from time to time in accordance with the terms hereof), and the right to use the foregoing in connection with the enforcement of the Guarantor's rights under the Credit Documents; and

(c) all copyrightable materials, including Programs not copyrighted, all tangible property embodying the copyrights described in clause (a) hereof or such copyrightable materials, and all tangible property covered by the licenses described in clause (b) hereof.

"Limited Liability Company Acknowledgement" has the meaning specified in Section 4(b).

"Limited Liability Company Assets" means all assets, whether tangible or intangible and whether real, personal or mixed (including all limited liability company capital and interests in other limited liability companies), at any time owned or represented by any Limited Liability Company Interests.

"Limited Liability Company Interests" means the entire limited liability company interest at any time owned by the Borrower in any Pledged Entity.

"Limited Liability Company Notice" has the meaning specified in Section 4(b).

"Marks" means (a) all trademarks, trademark registrations, interests under trademark license agreements, trade names, trademark applications, service marks, business names, trade styles, designs, logos and other source or business identifiers that are used in the United States of America or any state, territory or possession thereof, or in any other place, nation or jurisdiction anywhere in the world, including any of the foregoing listed on Schedule B (as such schedule may be supplemented from time to time in accordance with the terms hereof), (b) all licenses pertaining to any of the items described in clause (a) above, whether the Borrower is licensor or licensee thereof, including the licenses listed on Schedule B (as such schedule may be supplemented from time to time in accordance with the terms hereof), (c) all income,

royalties, damages and payments now and hereafter due and/or payable with respect to any of the items described in clause (a) or (b) above, including damages and payments for past, present or future infringements thereof, (d) all rights to sue for past, present and future infringements of any of the foregoing, (e) all rights corresponding to the foregoing throughout the world, (f) all product-specification documents and production- and quality-control manuals used in the manufacture of products sold under or in connection with any of the items described in clause (a) above, (g) all documents that reveal the name and address of sources of supply of, and terms of purchase and delivery for, materials and components used in the production of products sold under or in connection with any of the items described in clause (a) above, (h) all documents constituting or concerning the then current or proposed advertising and promotion by the Borrower, its subsidiaries or licensees of products sold under or in connection with any of the items described in clause (a) above, including all documents that reveal the media used or to be used and the cost for all such advertising and (i) all renewals and proceeds of any of the foregoing.

“Patents” means (a) all letters patent, design patents, utility patents, inventions and trade secrets, all patents and patent applications in the United States Patent and Trademark Office and all interests under patent license agreements, including the inventions and improvements described and claimed therein, including those letters patent, design patents, utility patents, inventions, trade secrets, patents, patent applications and patent license agreements listed on Schedule B (as such schedule may be supplemented from time to time in accordance with the terms hereof), (b) all licenses pertaining to any of the items described in clause (a) above, whether the Borrower is licensor or licensee, (c) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect to any of the items described in clause (a) above, including damages and payments for past, present or future infringements thereof, (d) all rights to sue for past, present and future infringements of any of the items described in clause (a) above, (e) all rights corresponding to the items described in clause (a) above throughout the world and (f) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing.

“Pledged Entity” means each limited liability company described in Schedule A (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), together with any other limited liability company in which the Borrower may have an interest at any time.

“Pledged Equity” means all Certificates, Pledged Securities, Pledged Partnership Interests and Pledged Limited Liability Interests.

“Pledged Limited Liability Company Interests” means all interests in each Pledged Entity held by the Borrower, including those Limited Liability Company Interests identified in Schedule A (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), including (a) all of the capital thereof and the Borrower’s interests in all profits, losses, Limited Liability Company Assets and other distributions in respect thereof, (b) all other payments due or to become due to the Borrower in respect of such Limited Liability Company Interests, (c) all of the Borrower’s claims, rights, powers, privileges, authority, options, security interests, liens and remedies in respect of such

Limited Liability Company Interests, (d) all of the Borrower's rights to exercise and enforce every right, power, remedy, authority, option and privilege relating to such Limited Liability Company Interests and (e) all other property hereafter delivered in substitution for or in addition to any of the foregoing and all certificates and instruments representing or evidencing such other property received, receivable or otherwise distributed in respect of or in exchange for any or all thereof.

"Pledged Partnership Interests" means all interests in any partnership or joint venture held by the Borrower, including those partnerships and/or joint ventures identified in Schedule A (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), and all dividends, cash, instruments and other properties from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests.

"Pledged Securities" means all shares of capital stock of any issuer in which the Borrower has an interest, including those shares of stock identified in Schedule A (as such schedule may be supplemented from time to time in accordance with the terms of this Agreement), and all dividends, cash, instruments and other properties from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares; **provided, however,** that this definition of "Pledged Securities" shall not include any capital stock that the Borrower liquidates within five (5) Business Days after receipt.

"Programs" means (a) all media broadcasting programs originating from the Borrower, all other general intangibles of a like nature and all recordings and renewals of the foregoing and (b) all licenses, contracts or other agreements, whether written or oral, naming the Borrower as licensee or licensor and providing for the grant of any right to produce, use, sell, broadcast or rebroadcast any media or broadcasting programs.

"Stations" means all television broadcast stations operated by the Borrower, including KTEH (TV), San Jose, California (FCC facility number 35663) and KCAH (TV), Watsonville, California (FCC facility number 8214), together with all auxiliary and ancillary facilities, all translator, low-power and Class A television stations, all digital television authorizations and facilities and all other broadcast facilities now or hereafter owned, leased or operated by, or licensed to, the Borrower.

2. **Creation of Security Interest.** The Borrower hereby pledges to the Guarantor, and grants the Guarantor a security interest in, the Collateral.

3. **Security for Obligations.** This Agreement and the pledges made and security interests granted herein secure the prompt payment in full in cash of, and the full performance of, all obligations of the Borrower now or hereafter existing under the Reimbursement Agreement and the other Credit Documents, whether for reimbursement of drawings under the Guaranty, interest, fees, expenses, indemnification or otherwise, including all obligations of the Borrower now or hereafter existing under this Agreement, and all interest that accrues at the then applicable rate specified in the Reimbursement Agreement on all or any part of any of such

obligations after the filing of any petition or pleading against the Borrower for a proceeding under any bankruptcy or related law (collectively the "Guaranteed Obligations").

4. Delivery of Pledged Equity.

(a) Each Certificate shall, on (i) the Closing Date (with respect to Certificates existing on such date) or (ii) the date of receipt or acquisition by the Borrower thereof (with respect to Certificates received or acquired after the Closing Date), be delivered to and held by the Guarantor and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed undated endorsements, instruments of transfer or assignment in blank, all in form and substance satisfactory to the Guarantor.

(b) With respect to each Limited Liability Company Interest, on (i) the Closing Date (with respect to Limited Liability Company Interests existing on such date) or (ii) the date of acquisition thereof by the Borrower (with respect to Limited Liability Company Interests acquired after the Closing Date), a notice in the form set forth in Schedule H (a "Limited Liability Company Notice") shall be appropriately completed and delivered to each Pledged Entity, notifying each Pledged Entity of the existence of this Agreement, and the Borrower shall receive and deliver to the Guarantor a copy of such Limited Liability Company Notice, along with an acknowledgment in the form set forth in Schedule H (a "Limited Liability Company Acknowledgment"), duly executed by the relevant Pledged Entity.

(c) The Guarantor shall have the right, upon the occurrence and during the continuation of an Event of Default, without notice to the Borrower and to the extent permitted by law, to transfer to the Guarantor or any of its nominees, or to direct the Borrower or any nominee of the Borrower to register or cause to be registered in the name of the Guarantor or any of its nominees, any or all of the Pledged Equity. In addition, the Guarantor shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Equity for certificates or instruments of smaller or larger denominations.

5. Further Assurances.

(a) At any time and from time to time at the written request of the Guarantor, the Borrower will execute and deliver to the Guarantor, at the Borrower's expense, all such financing statements and other instruments, certificates and documents, and perform all such other acts, in each case in form and substance satisfactory to the Guarantor, as shall be necessary or desirable to fully perfect or protect or maintain, when filed, recorded, delivered or performed, the Guarantor's security interests granted pursuant to this Agreement or to enable the Guarantor to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Borrower shall: (i) at the request of the Guarantor, mark conspicuously each document included in the Inventory and each contract relating to the Accounts, and all chattel paper, instruments and other documents and each of its records pertaining to the Collateral, with a legend, in form and substance satisfactory to the Guarantor, indicating that such document, contract, chattel paper, instrument or Collateral is subject to the security interest granted hereby; (ii) at the request of the Guarantor, if any Account or contract or other writing relating thereto is evidenced by a promissory note or other instrument, deliver and

pledge to the Guarantor such note or other instrument, duly endorsed and accompanied by duly executed undated instruments of transfer or assignment, all in form and substance satisfactory to the Guarantor; (iii) execute and file, and authorize the filing of (where permitted), such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Guarantor may request, in order to perfect and preserve, with the required priority, the security interests granted or purported to be granted hereby; (iv) upon the Borrower's registration, or application therefor, of any copyright under the Copyright Act, at the Guarantor's request execute and deliver to the Guarantor for recordation and filing in the United States Copyright Office a copy of this Agreement or another appropriate copyright mortgage document in form and substance satisfactory to the Guarantor; (v) upon the Borrower's registration, or application therefor, of any Patent or Mark, at the Guarantor's request, execute and deliver to the Guarantor for recordation and filing in the United States Patent and Trademark Office a copy of this Agreement or another appropriate patent or trademark mortgage document, as applicable, in form and substance satisfactory to the Guarantor; and (vi) cause control agreements to be executed by all parties necessary to establish "control" under the Uniform Commercial Code with respect to all deposit accounts, securities accounts (but only any such account holding security entitlements exceeding \$5,000 in aggregate value that the Borrower holds in excess of five (5) Business Days), letter-of-credit rights and electronic chattel paper of the Borrower.

(b) At any time and from time to time, the Guarantor shall be entitled to file and/or record any or all such financing statements, instruments and documents held by it, and any or all such further financing statements, documents and instruments, relative to the Collateral or any part thereof in each instance, and to take all such other actions as the Guarantor may deem appropriate to perfect and to maintain perfected the security interests granted herein.

(c) The Borrower hereby authorizes the Guarantor to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Borrower where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(d) The Borrower will furnish to the Guarantor from time to time statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Guarantor may request. Upon the Borrower's obtaining any rights or interests in any deposit accounts, securities accounts or other investment property (other than that referred to in Schedule A), the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, supplement Schedule F to reflect such additional deposit accounts, securities accounts or other investment property. Upon the Borrower's publication or registration, or application for registration, of any copyright under the Copyright Act, the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, supplement Schedule B to reflect the publication or registration of such copyright or application therefor. Upon the Borrower's obtaining any rights and interests in any additional Marks, the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, supplement Schedule B to reflect such additional Marks. Upon the Borrower's obtaining any rights and interests in any

additional Patents, the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, supplement Schedule B to reflect such additional Patents. Upon the Borrower's receipt or acquisition of any additional Pledged Securities, Pledged Partnership Interests or Pledged Limited Liability Company Interests, the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, supplement Schedule A to reflect such additional Pledged Equity. Upon the Borrower's obtaining any rights or interests in any chattel paper or electronic chattel paper, the Borrower will, in addition to all other acts required to be performed in respect thereof pursuant to this Agreement, promptly notify the Guarantor of such rights or interests.

(e) With respect to any Collateral consisting of certificates of stock, securities, instruments, partnership or joint venture interests, interests in limited liability companies or the like, the Borrower hereby consents and agrees that, upon the occurrence and during the continuation of an Event of Default, the issuers of, or obligors on, any such Collateral, or any registrar or transfer agent or trustee for any such Collateral, shall be entitled to accept the provisions of this Agreement as conclusive evidence of the right of the Guarantor to effect any transfer or exercise any right hereunder or with respect to any such Collateral subject to the terms hereof, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by the Borrower or any other Person to such issuers or such obligors or to any such registrar or transfer agent or trustee.

(f) With respect to any Media Licenses, the parties agree as set forth below.

(i) The parties acknowledge their intention that, upon the occurrence and during the continuation of an Event of Default, the Guarantor shall receive, to the fullest extent permitted by applicable Governmental Rules (including the rules and policies of the FCC), all rights necessary or desirable to obtain, use or sell such Collateral or to have such Collateral or rights in connection therewith sold for the benefit of the Guarantor and, in connection therewith, to assign the Media Licenses, or to have the Media Licenses assigned, to the purchaser in any such sale, and to exercise all remedies available to the Guarantor under this Agreement, the other Credit Documents, the Uniform Commercial Code and other applicable law.

(ii) The parties agree that, in the event of changes in applicable Governmental Rules occurring after the date hereof that affect in any manner the Guarantor's rights of access to, or use or sale of, the Media Licenses, or the procedures necessary to enable the Guarantor to obtain such rights of access, use or sale (including changes allowing greater access), the Guarantor and the Borrower, upon request by the Guarantor, will amend this Agreement and the other Credit Documents in such manner as the Guarantor requests in order to provide the Guarantor with such rights to the greatest extent possible consistent with then-applicable Governmental Rules.

6. Voting Rights, Dividends, Etc. So long as no Event of Default occurs and is continuing, the provisions set forth below shall apply.

(a) Voting Rights. The Borrower shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Securities, the Pledged Partnership

Interests and the Pledged Limited Liability Company Interests (including all voting, consent, administration, management and other rights and remedies under any partnership agreement or any operating or limited liability company agreement or otherwise with respect to the Pledged Securities, the Pledged Partnership Interests or the Pledged Limited Liability Company Interests), or any part thereof, for any purpose not inconsistent with the terms of this Agreement, the Reimbursement Agreement or the other Credit Documents; provided, however, that the Borrower shall not exercise any such right if it would result in a Default.

(b) Dividend and Distribution Rights. The Borrower shall be entitled to receive, retain and use any and all dividends or distributions paid in respect of the Pledged Securities, the Pledged Partnership Interests or the Pledged Limited Liability Company Interests; provided, however, that any and all

(i) noncash dividends or distributions in the form of capital stock, certificated limited liability company interests, instruments or other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Securities, Pledged Partnership Interests or Pledged Limited Liability Company Interests,

(ii) dividends and other distributions paid or payable in cash in respect of any Pledged Securities, Pledged Partnership Interests or Pledged Limited Liability Company Interests in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus and

(iii) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Securities, Pledged Partnership Interests or Pledged Limited Liability Company Interests

shall be delivered to the Guarantor forthwith to be held as Collateral or applied to the Guaranteed Obligations, as the Guarantor may elect, and, if received by the Borrower, shall be received in trust for the benefit of the Guarantor, be segregated from the other property of the Borrower and be delivered to the Guarantor forthwith in the same form as so received (with any necessary endorsements).

7. Rights as to Pledged Equity During Event of Default. If an Event of Default occurs and is continuing, the provisions set forth below shall apply.

(a) Voting, Dividend and Distribution Rights. At the option of the Guarantor, all rights of the Borrower to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 6(a), and to receive the dividends and distributions that it would otherwise be authorized to receive and retain pursuant to Section 6(b), shall cease, and all such rights shall thereupon become vested in the Guarantor, which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Pledged Equity such dividends and distributions.

(b) Dividends and Distributions Held in Trust. All dividends and other distributions that are received by the Borrower contrary to the provisions of Section 7(a) shall be

received in trust for the benefit of the Guarantor, shall be segregated from other funds of the Borrower and shall be forthwith paid over to the Guarantor as Collateral in the same form as so received (with any necessary endorsements).

(c) Registration. A determination by the Guarantor to exercise its right to sell any or all of the Pledged Securities pursuant to Section 16 without registering the Pledged Securities under the Securities Act of 1933 shall not, by the sole fact of such sale, be deemed to be commercially unreasonable.

8. Irrevocable Proxy. The Borrower hereby revokes all previous proxies with regard to the Pledged Securities, the Pledged Partnership Interests (if such interests are limited partnership interests) and the Pledged Limited Liability Company Interests and appoints the Guarantor as its proxyholder and attorney-in-fact to (a) attend and vote at any and all meetings of the shareholders of the corporation(s) that issued the Pledged Securities (whether or not transferred into the name of the Guarantor), and any adjournments thereof, held on or after the date of the giving of this proxy and prior to the termination of this proxy and to execute any and all written consents, waivers and ratifications of shareholders of such corporation(s) executed on or after the date of the giving of this proxy and prior to the termination of this proxy, with the same effect as if the Borrower had personally attended the meetings or had personally voted its shares or had personally signed the written consents, waivers or ratification, and (b) to attend and vote at any and all meetings of the members of the Pledged Entities (whether or not such Pledged Limited Liability Company Interests or Pledged Partnership Interests are transferred into the name of the Guarantor), and any adjournments thereof, held on or after the date of the giving of this proxy and to execute any and all written consents, waivers and ratifications of the Pledged Entities executed on or after the date of the giving of this proxy and prior to the termination of this proxy with the same effect as if the Borrower had personally attended the meetings or had personally voted on its Limited Liability Company Interests or Pledged Partnership Interests or had personally signed the consents, waivers or ratifications; provided, however, that the Guarantor as proxyholder and attorney-in-fact shall have rights hereunder only upon the occurrence and during the continuation of an Event of Default. The Borrower hereby authorizes the Guarantor to substitute another Person (which Person shall be a successor to the rights of the Guarantor hereunder or a nominee appointed by the Guarantor to serve as proxyholder) as the proxyholder and, upon the occurrence and during the continuation of any Event of Default, hereby authorizes and directs the proxyholder to file this proxy and the substitution instrument with the secretary of the appropriate corporation, limited partnership or limited liability company. This proxy is coupled with an interest and is irrevocable until such time as all obligations of the Guarantor under the Guaranty terminated and all Guaranteed Obligations have been paid in full.

9. Copyrights.

(a) Royalties. The Borrower hereby agrees that the use by the Guarantor of the Copyrights as authorized hereunder in connection with the Guarantor's exercise of its rights and remedies hereunder shall be without any liability for royalties or other related charges from the Guarantor to the Borrower.

(b) Restrictions on Future Agreements. Subject to the terms hereof and of the Reimbursement Agreement, the Borrower shall be permitted to manage, license and administer its Copyrights in such manner as the Borrower in its reasonable business judgment deems desirable; provided, however, that the Borrower will not, without the Guarantor's prior written consent, (i) abandon any Copyright material to the Borrower's business in which the Borrower now owns or hereafter acquires any right or interest or (ii) fail to take any action, or permit any others (including licensees) to fail to take any action, that would customarily be taken by a Person in the same business and in similar circumstances as the Borrower.

(c) Duties of Borrower. The Borrower agrees to (i) prosecute diligently any copyright application included in the Copyrights, (ii) upon an Event of Default, make application for registration of such uncopyrighted but copyrightable material owned by the Borrower as the Guarantor reasonably deems appropriate, (iii) place notices of copyright on all material copyrightable property produced or owned by the Borrower embodying the Copyrights and cause its licensees to do the same, (iv) file and prosecute opposition and cancellation proceedings and (v) take all action necessary to preserve and maintain all of the Borrower's rights in those Copyrights that are necessary in the operation of the Borrower's business, including making timely filings for renewals and extensions of registered Copyrights and diligently monitoring unauthorized use thereof. Any expenses incurred in connection with the foregoing shall be borne by the Borrower. The Borrower will give proper statutory notice in connection with its use of each material Copyright to the extent necessary for the protection thereof. The Borrower will notify the Guarantor of any suits it commences to enforce any Copyright and will provide the Guarantor with copies of any documents requested by the Guarantor relating to such suits. The Guarantor shall have no duty with respect to the Copyrights other than to act lawfully and without gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Guarantor shall not be under any obligation to take any steps necessary to preserve rights in the Copyrights against any other party, but the Guarantor may do so at its option upon the occurrence and during the continuation of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the account of the Borrower and shall be added to the Guaranteed Obligations.

10. Patents and Marks.

(a) Royalties. The Borrower hereby agrees that any rights granted hereunder to the Guarantor with respect to Patents and Marks shall be applicable to all territories in which the Borrower has the right to use such Patents and Marks, from time to time, and without any liability for payment of royalties or other related charges by the Guarantor to the Borrower.

(b) Restrictions on Future Agreements. Subject to the terms hereof and of the Reimbursement Agreement, the Borrower shall be permitted to manage, license and administer its Patents and Marks in such manner as the Borrower in its reasonable business judgment deems desirable; provided, however, that the Borrower will not, without the Guarantor's prior written consent, (i) abandon any Patent or Mark material to the Borrower's business in which the Borrower now owns or hereafter acquires any right or interest or (ii) fail to take any action, or permit any others (including licensees) to fail to take any action, that would customarily be taken by a Person in the same business and in similar circumstances as the Borrower.

(c) Duties of Borrower. The Borrower agrees to (i) prosecute diligently any patent application or trademark application included in the Patents or Marks, (ii) upon an Event of Default, make application on unpatented but patentable inventions owned by the Borrower and on unregistered Marks, as the case may be, as the Guarantor reasonably deems appropriate, (iii) file and prosecute opposition and cancellation proceedings and (iv) take all action necessary to preserve and maintain all rights in those Patents and Marks that are necessary in the operation of the Borrower's business, including making timely filings for renewals and extensions of any Patents and Marks and diligently monitoring unauthorized use thereof. Any expenses incurred in connection with the foregoing shall be borne by the Borrower. The Borrower will give proper statutory notice in connection with its use of each Mark and each Patent to the extent necessary for the protection thereof. The Borrower will notify the Guarantor of any suit it commences to enforce any Patent or Mark and will provide the Guarantor with copies of any documents requested by the Guarantor relating to such suit. The Guarantor shall have no duty with respect to the Patents and Marks other than to act lawfully and without gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Guarantor shall not be under any obligation to take any steps necessary to preserve rights in the Patents and Marks against any other party, but the Guarantor may do so at its option upon the occurrence and during the continuation of an Event of Default, and all expenses incurred in connection therewith shall be for the account of the Borrower and shall be added to the Guaranteed Obligations.

11. Borrower's Representations and Warranties. The Borrower represents and warrants to the Guarantor as set forth below.

(a) Schedule D sets forth each location at which Inventory and/or Equipment is located or the Borrower conducts business and, with respect to each such location, whether the Borrower is duly qualified and in good standing under the laws of such location. The chief executive office of the Borrower, where the Borrower keeps its records concerning the Collateral and any chattel paper evidencing the Collateral, is located at the address set forth for the Borrower on Schedule E. All records concerning any Account or Material Contract, and all originals of all contracts and other writings that evidence any Account, are located at the address shown on Schedule E. The Borrower has exclusive possession and control of the Equipment and the Inventory, except as set forth on Schedule D. The Borrower's exact legal name and the place of formation of the Borrower are as set forth in the recital of parties to this Agreement. Each trade name and other fictitious name under which the Borrower conducts business, or has conducted business at any time during the five years immediately preceding the Closing Date, is set forth on Schedule C. The Borrower's state organizational identification number is as set forth on Schedule G.

(b) The Borrower is the legal and beneficial owner of the Collateral, free and clear of all Liens except for Liens permitted by Section 6.1 of the Reimbursement Agreement. The Borrower has the power, authority and legal right to grant the security interests in the Collateral purported to be granted hereby and to execute, deliver and perform this Agreement. The pledge of the Collateral pursuant to this Agreement creates a valid security interest in the Collateral. Upon the filing of appropriate financing statements in the filing offices set forth on Schedule G, the recordation of appropriate documentation with the United States Copyright

Office and/or the United States Patent and Trademark Office, as applicable, the execution of control agreements with respect to the deposit accounts and securities accounts of the Borrower, the giving of a Limited Liability Company Notice to the Pledged Entities and the delivery to the Guarantor of the Certificates, as the case may be, the Guarantor will have a first-priority perfected security interest (except that the Guarantor will have a second-priority perfected security interest (i) in assets encumbered by Liens permitted pursuant to Section 6.1(b) of the Reimbursement Agreement and (ii) behind Screen Actors Guild, Inc. with respect to the copyrighted works entitled "Cosmopolitan" and "The Suitor; a.k.a. Yo!" set forth on Schedule B hereto) in the Collateral to the extent a security interest in such Collateral can be perfected by such filings, recordations, the giving of such notices and the delivery of such Certificates.

(c) The Pledged Securities and the Pledged Limited Liability Company Interests have been duly authorized and validly issued and are fully paid and nonassessable. All of the Pledged Securities are in certificated form (as contemplated by Article 8 of the Uniform Commercial Code). All of the Pledged Limited Liability Interests are in uncertificated form.

(d) No consent of any Person, including any partner in a partnership with respect to which the Borrower has pledged its interest as a Pledged Partnership Interest or any member in a Pledged Entity, is required for the pledge by the Borrower of the Collateral.

(e) The Pledged Securities described on Schedule A constitute all of the shares of capital stock of any Person owned by the Borrower and that percentage of the issued and outstanding shares of the respective issuers thereof indicated on Schedule A, and there is no other class of shares issued and outstanding of the respective issuers thereof except as set forth on Schedule A. The Pledged Partnership Interests described on Schedule A constitute all of the partnerships or joint ventures in which the Borrower has an interest, the Borrower's respective percentage interests in each such partnership or joint venture are as set forth on Schedule A, and there is no other class of interests therein issued and outstanding except as set forth on Schedule A. The Pledged Limited Liability Company Interests described on Schedule A constitute all of the Limited Liability Company Interests of the Borrower, the Borrower's respective percentage interests in each such Pledged Entity are as set forth on Schedule A, and there is no other class of interests therein issued and outstanding except as set forth on Schedule A.

(f) Subject to the provisions of Section 16(k), no authorization, approval or other action by, and no notice to or filing with, any Governmental Person (other than such authorizations, approvals and other actions as have already been taken and are in full force and effect) is required (i) for the pledge of the Collateral or the grant of the security interest in the Collateral by the Borrower hereby or for the execution, delivery or performance of this Agreement by the Borrower or (ii) for the exercise by the Guarantor of the voting rights in the Pledged Securities, the Pledged Partnership Interests and the Pledged Limited Liability Company Interests or of any other rights or remedies in respect of the Collateral hereunder, except as may be required in connection with any disposition of Collateral consisting of securities by laws affecting the offering and sale of securities generally.

(g) The Borrower does not own, is not a licensee of, and has not applied for, any Copyrights, Marks or Patents, other than those set forth on Schedule B. Except as set forth

on Schedule B, none of the Borrower's Copyrights, Marks or Patents has been registered with any Governmental Person, nor has an application for such registration been made.

(h) Schedule F sets forth (i) all of the Borrower's deposit accounts, (ii) all of the Borrower's securities accounts and other investment property (other than any referred to on Schedule A) and (iii) all letters of credit issued for the benefit of the Borrower. The Borrower has no chattel paper or electronic chattel paper.

(i) The Borrower does not own or lease any vehicle having a value in excess of \$50,000.

12. Borrower's Covenants. In addition to the other covenants and agreements set forth herein and in the other Credit Documents, the Borrower covenants and agrees as set forth below.

(a) The Borrower will pay, prior to delinquency, all taxes, charges, Liens and assessments against the Collateral owned by it, except those with respect to which the amount or validity is being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of the Borrower.

(b) The Collateral will not be used in violation of any material Governmental Rule applicable to the Borrower or in any way that will void or impair any insurance required to be carried in connection therewith.

(c) The Borrower will keep the Collateral in good repair, working order and operating condition (normal wear and tear excluded) and will from time to time make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

(d) The Borrower will take all reasonable steps to preserve and protect the Collateral.

(e) The Borrower will maintain all insurance coverage required pursuant to the Credit Documents.

(f) The Borrower will promptly notify the Guarantor in writing in the event of any material damage to any material portion of the Collateral from any source whatsoever.

(g) The Borrower will not (i) establish any location of Inventory or Equipment not listed on Schedule D, (ii) move its principal place of business, chief executive office or any other office listed on Schedule E, (iii) adopt, use or conduct business under any trade name or other corporate or fictitious name not disclosed on Schedule C, (iv) acquire or open, as applicable, any deposit account or securities account, or acquire any letter of credit issued for the benefit of the Borrower, (v) create any chattel paper without placing a legend on the chattel paper acceptable to the Guarantor indicating the Guarantor's security interest therein, (vi) change its legal name, its place of incorporation, formation or organization (as applicable) or its state organizational identification number from those specified in the recital of parties to this

Agreement and Schedule G, (vii) permit any issuer of Pledged Securities to issue any securities in uncertificated form or seek to convert all or any part of any Pledged Securities into uncertificated form, (viii) permit any issuer of Pledged Limited Liability Company Interests to issue any Limited Liability Company Interests in certificated form or seek to convert all or any part of any Limited Liability Company Interests into certificated form or (ix) permit any issuer of Pledged Securities or Pledged Entity to issue any additional capital stock or membership interests or any other rights or options with respect thereto, as applicable, other than to the Borrower, except, in each case, upon not less than 30 days' prior written notice to the Guarantor and the Borrower's prior compliance with all applicable requirements of Section 5 necessary to perfect the Guarantor's security interests hereunder, and in each case subject to the terms of the Reimbursement Agreement.

(h) The Borrower will not permit any Equipment or Inventory to be in the possession of a third party unless (i) written notice of the Guarantor's security interest therein has been given to such third party and (ii) such third party has acknowledged in writing that it is holding such Collateral for the benefit of the Guarantor, such notice and acknowledgement to be in form acceptable to the Guarantor.

(i) The Borrower will not (i) withdraw as a member of any Pledged Entity or a partner in any partnership with respect to which the Borrower has pledged any interest, (ii) file or pursue or take any action that may, directly or indirectly, cause a dissolution or liquidation of or with respect to any Pledged Entity or any such partnership or (iii) seek a partition of any property of any Pledged Entity or any such partnership.

(j) The Borrower will promptly notify the Guarantor in writing in the event that the Borrower becomes a licensee of any material Copyright, material Mark or material Patent, other than those set forth on Schedule B, that is necessary for its business, and the Borrower will execute any and all documents, instruments or agreements, and perform any and all actions, reasonably requested by the Guarantor to grant a security interest therein, including procuring the consent of the licensor thereto.

(k) Subject to the provisions of Section 16(k), the Borrower agrees to take any action that the Guarantor may lawfully request in order to obtain from the FCC such approval as may be necessary to enable the Guarantor to exercise and enjoy the full rights and benefits granted to it by this Agreement, including the use of the Borrower's best efforts to assist in obtaining the approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is required by law.

13. Guarantor's Rights Regarding Collateral.

(a) At any time and from time to time, the Guarantor may, to the extent necessary or desirable to protect the security hereunder, but the Guarantor shall not be obligated to, (i) whether or not a Default has occurred, visit and inspect the Borrower's properties and examine and make abstracts from any of its books and records, either itself or through its representatives, at any reasonable time and as often as may reasonably be desired and discuss the business, operations, properties and financial and other condition of the Borrower with

officers and employees of the Borrower and with its accountants, or (b) if a Default has occurred and is continuing, at the expense of the Borrower, perform any obligation of the Borrower under this Agreement.

(b) If an Event of Default has occurred and is continuing, the Guarantor may, at the expense of the Borrower and to the extent necessary or desirable to protect the Collateral, but the Guarantor shall not be obligated to, (i) notify obligors on the Collateral that the Collateral has been assigned as security to the Guarantor, (ii) request from obligors on the Collateral, in the name of the Guarantor, information concerning the Collateral and the amounts owing thereon and (iii) direct obligors under the contracts included in the Collateral to direct their performance to the Guarantor.

(c) The Borrower will keep proper books, records and accounts in which full, true and correct entries in conformity with GAAP and all applicable Governmental Rules shall be made of all material dealings and transactions pertaining to the Collateral. The Guarantor shall at all reasonable times and upon prior written notice have full access to and the right to audit any and all of the Borrower's books, records and accounts pertaining to the Collateral and to confirm and verify the value of the Collateral.

(d) The Guarantor shall not be under any duty or obligation whatsoever to take any action to preserve any rights of or against any prior or other parties in connection with the Collateral, to exercise any voting rights or managerial rights with respect to any Collateral or to make or give any presentments for payment, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor or notices of any other nature whatsoever in connection with the Collateral or the Guaranteed Obligations. The Guarantor shall not be under any duty or obligation whatsoever to take any action to protect or preserve the Collateral or any rights of the Borrower therein, to make collections or enforce payment thereon or to participate in any foreclosure or other proceeding in connection therewith. Nothing contained herein shall constitute an assumption by the Guarantor of any of the Borrower's obligations under any contracts constituting Collateral hereunder unless the Guarantor gives written notice to the counterparty to such contract of the Guarantor's intention to assume such contract in connection with the exercise of its remedies hereunder. The Borrower shall continue to be liable for performance of its obligations under such contracts.

(e) Nothing contained herein shall be construed to make the Guarantor liable as a member of any Pledged Entity or a partner in any partnership with respect to which the Borrower has pledged its interests in Pledged Securities, Pledged Limited Liability Company Interests or Pledged Partnership Interests, and the Guarantor shall not, by virtue of this Agreement or otherwise (except as referred to in the following sentence) have any of the duties, obligations or liabilities of a member of any Pledged Entity or a partner in any such partnership. The parties hereto expressly agree that, unless the Guarantor becomes the absolute owner of any Pledged Securities, Pledged Limited Liability Company Interests or Pledged Partnership Interests pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Guarantor, any such pledged entity and/or the Borrower. Except as provided in the immediately preceding sentence, the Guarantor, by accepting this Agreement, does not intend to become a member of any Pledged Entity or a partner in any partnership with respect to

which the Borrower has pledged its interests in any Pledged Limited Liability Company Interests or Pledged Partnership Interests, or otherwise be deemed to be a co-venturer with respect to the Borrower or any Pledged Entity or partnership, either before or after an Event of Default may occur.

14. Collections on Collateral. Except as provided to the contrary in the Reimbursement Agreement, the Borrower shall have the right to use, to continue to make collections on, and to receive dividends and other proceeds from, the Collateral in the ordinary course of business so long as no Event of Default occurs and is continuing. Upon the occurrence and during the continuation of an Event of Default, at the option of the Guarantor, the Borrower's right to make collections on, and to receive dividends and other proceeds from, the Collateral and to use or dispose of such collections and proceeds shall terminate, and any and all dividends, proceeds and collections, including all partial or total prepayments, then held or thereafter received on or on account of the Collateral shall be held or received by the Borrower in trust for the Guarantor and shall be immediately delivered in kind to the Guarantor (duly endorsed to the Guarantor, if required), to be applied to the Guaranteed Obligations or held as Collateral, as the Guarantor may elect. Upon the occurrence and during the continuation of an Event of Default, (a) the Guarantor shall have the right at all times to receive, receipt for, endorse, assign, deposit and deliver, in the name of the Guarantor or in the name of the Borrower, any and all checks, notes, drafts and other instruments for the payment of money constituting proceeds of or otherwise relating to the Collateral, (b) the Borrower hereby authorizes the Guarantor to affix, by facsimile signature or otherwise, the general or special endorsement of the Borrower, in such manner as the Guarantor deems advisable, to any such instrument in the event the same has been delivered to or obtained by the Guarantor without appropriate endorsement, (c) the Guarantor and any collecting bank are hereby authorized, to the extent permitted by applicable law, to consider such endorsement to be a sufficient, valid and effective endorsement by the Borrower, to the same extent as though it were manually executed by the duly authorized representative of the Borrower, regardless of by whom or under what circumstances or by what authority such endorsement actually is affixed, without duty of inquiry or responsibility as to such matters, and (d) the Borrower hereby expressly waives demand, presentment, protest and notice of protest or dishonor and all other notices of every kind and nature with respect to any such instrument.

15. Possession of Collateral by Guarantor. All of the Collateral now, heretofore or hereafter delivered to the Guarantor shall be held by the Guarantor in its possession, custody and control. Any or all of the Collateral delivered to the Guarantor constituting cash or cash equivalents shall, prior to the occurrence of any Event of Default, upon written request of the Borrower, be held in an interest-bearing account at a financial institution subject to a control agreement acceptable to the Guarantor and set forth on Schedule F and shall be invested in investments permitted by Section 6.6(a) of the Reimbursement Agreement. Nothing herein shall obligate the Guarantor to obtain any particular return thereon. Upon the occurrence and during the continuation of an Event of Default, whenever any of the Collateral is in the Guarantor's possession, custody or control, the Guarantor may use, operate and consume the Collateral, whether for the purpose of preserving and/or protecting the Collateral or for the purpose of performing any of the Borrower's obligations with respect thereto, or otherwise, and, subject to the terms of the Reimbursement Agreement, any or all of the Collateral delivered to the

Guarantor constituting cash or cash equivalents shall be applied by the Guarantor to payment of the Guaranteed Obligations or held as Collateral, as the Guarantor may elect. The Guarantor may at any time deliver or redeliver the Collateral or any part thereof to the Borrower, and the receipt of any of the same by the Borrower shall be complete and full acquittance for the Collateral so delivered; and the Guarantor thereafter shall be discharged from any liability or responsibility arising after such delivery to the Borrower. So long as the Guarantor exercises reasonable care with respect to any Collateral in its possession, custody or control, the Guarantor shall have no liability for any loss of or damage to any Collateral, and in no event shall the Guarantor have liability for any diminution in value of Collateral occasioned by economic or market conditions or events. The Guarantor shall be deemed to have exercised reasonable care within the meaning of the preceding sentence if the Collateral in the possession, custody or control of the Guarantor is accorded treatment substantially equal to that the Guarantor accords similar property for its own account, it being understood that the Guarantor shall have no responsibility for ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Guarantor has or is deemed to have knowledge of such matters, or taking any necessary steps to preserve rights against any Person with respect to any Collateral.

16. Remedies.

(a) Rights upon Event of Default. Upon the occurrence and during the continuation of an Event of Default, the Borrower shall be in default hereunder and the Guarantor shall have, in any jurisdiction where enforcement is sought, in addition to all other rights and remedies that the Guarantor may have under this Agreement and under applicable laws or in equity, all rights and remedies of a secured party under the Uniform Commercial Code as enacted in any such jurisdiction in effect at that time and, in addition, the following rights and remedies, all of which may be exercised with or without notice to the Borrower except such notice as may be specifically required by applicable law: (i) to foreclose the Liens created hereunder or under any other Credit Document by any available judicial procedure or without judicial process; (ii) to enter any premises where any Collateral may be located for the purpose of securing, protecting, inventorying, appraising, inspecting, repairing, preserving, storing, preparing, processing, taking possession of or removing the same; (iii) to sell, assign, lease or otherwise dispose of any Collateral or any part thereof, either at public or private sale or at any broker's board, in lot or in bulk, for cash, on credit or otherwise, with or without representations or warranties and upon such terms as shall be commercially reasonable; (iv) to notify obligors on the Collateral that the Collateral has been assigned to the Guarantor and that all payments thereon, or performance with respect thereto, are to be made directly and exclusively to the Guarantor or as the Guarantor shall otherwise instruct; (v) to collect by legal proceedings or otherwise all dividends, distributions, interest, principal or other sums now or hereafter payable upon or on account of the Collateral; (vi) to enter into any extension, reorganization, disposition, merger or consolidation agreement, or any other agreement relating to or affecting the Collateral, and in connection therewith the Guarantor may deposit or surrender control of the Collateral and/or accept other property in exchange for the Collateral as the Guarantor deems appropriate; (vii) to settle, compromise or release, on terms acceptable to the Guarantor, in whole or in part, any amounts owing on the Collateral and/or any disputes with respect thereto; (viii) to extend the time of payment, make allowances and adjustments and issue credits in connection with the

Collateral, in the name of the Guarantor or in the name of the Borrower; (ix) to enforce payment and prosecute any action or proceeding with respect to any or all of the Collateral and take or bring, in the name of Guarantor or in the name of the Borrower, any and all steps, actions, suits or proceedings deemed necessary or desirable by the Guarantor to effect collection of or to realize upon the Collateral, including any judicial or nonjudicial foreclosure thereof or thereon, and the Borrower (A) specifically consents to any nonjudicial foreclosure on any or all of the Collateral or any other action taken by the Guarantor that may release any obligor from personal liability on any of the Collateral and (B) waives, to the extent permitted by applicable law, any right to receive notice of any public or private judicial or nonjudicial sale or foreclosure of any security or any of the Collateral, and any money or other property received by the Guarantor in exchange for or on account of the Collateral, whether representing collections or proceeds of Collateral, and whether resulting from voluntary payments or foreclosure proceedings or other legal action taken by the Guarantor or the Borrower, may be applied by the Guarantor, without notice to the Borrower, to the Guaranteed Obligations in such order and manner as the Guarantor in its sole discretion shall determine; (x) to insure, protect and preserve the Collateral; (xi) to exercise all rights, remedies, powers and privileges provided under any of the Credit Documents; and (xii) to remove, from any premises where the same may be located, the Collateral and any and all documents, instruments, files and records, and any receptacles and cabinets containing the same, relating to the Collateral, and the Guarantor (A) may, at the cost and expense of the Borrower, use such of its supplies, equipment, facilities and space at its places of business as may be necessary or appropriate to properly administer, process, store, control, prepare for sale or disposition and/or sell or dispose of the Collateral or to properly administer and control the handling of collections and realizations thereon, and (B) shall be deemed to have a rent-free tenancy of any premises of the Borrower for such purposes and for such periods of time as reasonably required by the Guarantor. The Borrower will, at the Guarantor's request, assemble the Collateral and make it available to the Guarantor at places that the Guarantor may designate, whether at the premises of the Borrower or elsewhere, and will make available to the Guarantor, free of cost, all premises, equipment and facilities of the Borrower for the purpose of the Guarantor's taking possession, storing, removing, putting in salable form, selling and/or disposing of the Collateral. The Guarantor has no obligation to clean up or otherwise prepare the Collateral for sale. Nothing contained herein shall be construed to give the Guarantor or any purchaser of the Collateral the right to operate any of the Stations without the prior consent of the FCC, to the extent required by law or the terms of any Media License.

(b) Possession by Guarantor. Upon the occurrence and during the continuation of an Event of Default, the Guarantor shall have the right, without notice or demand, either in person, by agent or by a receiver to be appointed by a court in accordance with the provisions of applicable law (and the Borrower hereby expressly consents, to the fullest extent permitted by applicable law, upon the occurrence and during the continuation of an Event of Default to the appointment of such a receiver), and, to the extent permitted by applicable law, without regard to the adequacy of any security for the Guaranteed Obligations, (i) to the extent permitted by applicable law, to operate the business of the Borrower by, *inter alia*, taking possession of the Collateral or any part thereof and (ii) to collect and receive the rents, issues, profits, income and proceeds thereof, pending the exercise of any and all other rights and remedies of the Guarantor under this Agreement, at law and/or in equity. The operation of the Borrower's business and the taking of possession of the Collateral by the Guarantor shall not

cure or waive any Event of Default or notice thereof or invalidate any act done pursuant to such notice. The rights, remedies and powers of any receiver appointed by a court shall be as ordered by said court.

(c) Sale of Collateral. Any public or private sale or other disposition of the Collateral may be held at any office of the Guarantor, at the Borrower's place of business or at any other place permitted by applicable law, and without the necessity of the Collateral's being within the view of prospective purchasers. The Guarantor may direct the order and manner of sale of the Collateral, or portions thereof, as it in its sole and absolute discretion may determine, provided such sale is commercially reasonable, and the Borrower expressly waives, to the extent permitted by applicable law, any right to direct the order and manner of sale of any Collateral. The Guarantor or any Person acting on the Guarantor's behalf may bid and purchase at any such sale or other disposition. In addition to the other rights of the Guarantor hereunder, the Borrower hereby grants to the Guarantor a license or other right to use, without charge, the Borrower's labels, copyrights, patents, rights of use of any name, trade names, trademarks and advertising matter, and any property of a similar nature, including the Copyrights, the Patents and the Marks, in advertising for sale and selling any Collateral. The Guarantor may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral, and such compliance will not be considered to affect adversely the commercial reasonableness of any sale of the Collateral.

(d) Notice of Sale. Unless the Collateral is perishable or threatens to decline quickly in value or is of a type customarily sold on a recognized market, the Guarantor will give the Borrower reasonable notice of the time and place of any public sale thereof or of the time on or after which any private sale thereof is to be made. The requirement of reasonable notice shall be conclusively deemed to have been met if such notice is mailed, certified mail, postage prepaid, to the Borrower at its address set forth in the Reimbursement Agreement, or is otherwise delivered or sent to the Borrower, at least 10 Business Days before the date of the sale. The Borrower expressly waives, to the fullest extent permitted by applicable law, any right to receive notice of any public or private sale of any Collateral or other security for the Guaranteed Obligations except as expressly provided for in this paragraph. The Guarantor shall not be obligated to make any sale of the Collateral if it determines not to do so, regardless of the fact that notice of sale of the Collateral may have been given. The Guarantor may, without notice or publication, except as required by applicable law, adjourn any sale from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice (except as required by applicable law), be made at the time and place to which the same was so adjourned.

(e) Private Sales. With respect to any Collateral consisting of securities, partnership interests, membership interests, joint venture interests or the like, and whether or not any of such Collateral has been effectively registered under the Securities Act of 1933 or other applicable laws, the Guarantor may, in its sole and absolute discretion, sell all or any part of such Collateral at private sale in such manner and under such circumstances as the Guarantor may deem necessary or advisable in order that the sale may be lawfully conducted in a commercially reasonable manner. Without limiting the foregoing, the Guarantor may (i) approach and negotiate with a limited number of potential purchasers and (ii) restrict the prospective bidders or

purchasers to Persons that will represent and agree that they are purchasing such Collateral for their own account for investment and not with a view to the distribution or resale thereof. In the event that any such Collateral is sold at private sale, the Borrower agrees, to the extent permitted by applicable law, that, if such Collateral is sold for a price that is commercially reasonable, then (A) the Borrower shall not be entitled to a credit against the Guaranteed Obligations in an amount in excess of the purchase price and (B) the Guarantor shall not incur any liability or responsibility to the Borrower in connection therewith, notwithstanding the possibility that a substantially higher price might have been realized at a public sale. The Borrower recognizes that a ready market may not exist for such Collateral if it is not regularly traded on a recognized securities exchange and that a sale by the Guarantor of any such Collateral for an amount less than a *pro rata* share of the fair-market value of the issuer's assets minus liabilities may be commercially reasonable in view of the difficulties that may be encountered in attempting to sell a large amount of such Collateral or Collateral that is privately traded.

(f) Title of Purchasers. Upon consummation of any sale of Collateral hereunder, the Guarantor shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the Collateral so sold absolutely free from any claim or right upon the part of the Borrower or any other Person claiming through the Borrower, and the Borrower hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and appraisal that it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. If the sale of all or any part of the Collateral is made on credit or for future delivery, the Guarantor shall not be required to apply any portion of the sale price to the Guaranteed Obligations until such amount actually is received by the Guarantor, and any Collateral so sold may be retained by the Guarantor until the sale price is paid in full by the purchaser or purchasers thereof. The Guarantor shall not incur any liability if any such purchaser or purchasers fails to pay for the Collateral so sold, and, in case of any such failure, the Collateral may be sold again.

(g) Disposition of Proceeds of Sale. The proceeds resulting from the collection, liquidation, sale or other disposition of the Collateral shall be applied as follows: first, to the reasonable costs and expenses (including reasonable attorneys' fees) of retaking, holding, storing, processing, preparing for sale, selling, collecting and liquidating the Collateral, and the like; second, to the satisfaction of the Guaranteed Obligations; and third, if any surplus remains after satisfaction of the Guaranteed Obligations, and provided that no obligation of the Guarantor exists under the Guaranty, to the Borrower or to whoever may be lawfully entitled to receive such surplus.

(h) Certain Waivers. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands against the Guarantor arising out of the repossession, retention or sale of the Collateral, or any part or parts thereof, except to the extent that any such claims, damages and awards arise out of the gross negligence or willful misconduct of the Guarantor.

(i) Remedies Cumulative. The rights and remedies provided under this Agreement are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights and remedies provided by law or in equity.

(j) Deficiency. If the proceeds of the sale, collection or other realization of or upon the Collateral pursuant to this Section 16 are insufficient to cover the costs and expenses of such realization and the payment in full of the Guaranteed Obligations, the Borrower shall remain liable for any deficiency.

(k) Compliance with Communications Act and FCC Rules and Regulations.

(i) Notwithstanding anything to the contrary contained in this Agreement, the Reimbursement Agreement, any other Credit Document, or any related instrument, the Guarantor will not take any action pursuant to this Agreement, or any such documents, which would constitute or result in any assignment of any FCC License or any transfer of control of the holder of any FCC License, whether *de jure* or *de facto*, if such assignment of such FCC License or such transfer of control would require under then existing law (including the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies) the prior approval of the FCC, without first obtaining such approval. If an Event of Default exists and the Guarantor seeks to sell Collateral that represents or includes the right to control any FCC License, or if any FCC License is proposed to be assigned or transferred together with the sale of any Collateral, such sale shall be through a private or public arm's-length sale. The Guarantor shall be entitled to rely upon the advice of counsel of the Guarantor's choice with respect to such assignment or transfer (including to determine whether any such assignment or transfer has occurred or will occur and whether or not prior approval of the FCC is required) whether or not the advice rendered is ultimately determined to have been accurate. The restrictions upon the Guarantor in this subsection (i) shall not apply to any disposition of Collateral that the Guarantor has determined, on advice of counsel, does not include the right to control any FCC License or any disposition of Collateral that the Guarantor has determined, on advice of counsel, does not include the assignment or transfer of any FCC License.

(ii) If any Event of Default shall have occurred and be continuing, the Borrower shall take any action that the Guarantor may reasonably request in the exercise of the Guarantor's rights and remedies under this Agreement in order to transfer or assign the Collateral to the Guarantor or to such one or more third parties as the Guarantor may designate, or to a combination of the foregoing. To enforce the provisions of this Section 16(k) and the other provisions of this Agreement, after an Event of Default shall have occurred and be continuing, the Guarantor is empowered to request, and the Borrower agrees to authorize, the appointment of a receiver or trustee from any court of competent jurisdiction. Such receiver or trustee shall be instructed to seek from the FCC (and any other Governmental Person, if required), its consent to or approval of any assignment of the Media Licenses and assets of, or transfer of control of any or all of the Media Licenses of, any Person whose stock, partnership interests, other securities or other Collateral is subject to this Agreement to the extent required for such trustee or receiver to assume such control for the purpose of seeking a bona fide purchaser to which such Media Licenses ultimately will be assigned or control of such entity ultimately will be transferred. The Borrower agrees, at the Borrower's own cost and expense, to cooperate with any such purchaser and with the Guarantor in the preparation, execution and filing of any applications and other documents and providing any information that may be necessary or helpful in obtaining the FCC's consent to the assignment or transfer to such purchaser of the Collateral or any of the

Media Licenses. To the fullest extent permitted by applicable law, the Borrower hereby agrees to consent to and authorize any such transfer of control or assignment upon the request of the Guarantor after and during the continuation of an Event of Default and, without limiting any rights of the Guarantor or the Borrower under this Agreement, to authorize the Guarantor to nominate a trustee or receiver to assume control of the Collateral, subject only to any required consents, approvals or orders of courts of competent jurisdiction, the FCC or other Governmental Person for any transfer or assignment of Media Licenses to be effectuated in connection therewith, for the purpose of effectuating the transactions contemplated in this Section 16(k) and the other provisions of this Agreement. Such trustee or receiver shall have all the rights and powers as provided to it by law, court order or the Guarantor under this Agreement. The Borrower shall cooperate fully and use its best efforts to obtain the consent of the FCC and the approval or consent of each other Governmental Person required to effectuate the foregoing.

(iii) The Borrower shall use its best efforts to assist in obtaining consent or approval of the FCC, any court and any other Governmental Person, if required, for any action or transactions contemplated by this Agreement, including the preparation, execution and filing with the FCC of the transferor's, assignor's, or the Borrower's portion of any application or applications for consent to the transfer of control or assignment necessary or appropriate under the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies for approval of the transfer or assignment of all or any portion of the Collateral, including the assignment or transfer of any FCC Licenses in connection therewith. Such efforts shall include sharing with the Guarantor any FCC registration numbers, account numbers and passwords for the FCC's CDBS System and preparing, certifying and filing (or causing to be prepared, certified and filed) with the FCC any portion of any application or applications for consent to the assignment of the FCC License or transfer of control of the Borrower required to be filed under the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies, for approval of any sale, transfer or assignment of Collateral and/or the FCC Licenses.

(iv) The Borrower hereby acknowledges and agrees that the Collateral is a unique asset and that a violation of the Borrower's covenant to cooperate with respect to the obtainment of any regulatory consents would result in irreparable harm to the Guarantor for which monetary damages are not readily ascertainable. The Borrower further agrees that, because of the unique nature of its undertakings in this Section 16(k) and the other provisions of this Agreement, the same may be specifically enforced, and the Borrower hereby waives, and agrees to waive, any claim or defense that the Guarantor would have an adequate remedy at law for the breach of such undertakings and any requirement for the posting of bond or other security. This Section 16(k) shall not be deemed to limit any other rights of the Guarantor available under applicable law and consistent with the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies.

(v) Without limiting the obligations of the Borrower hereunder in any respect, the Borrower further agrees that, if the Borrower, upon the occurrence and during the continuance of an Event of Default, should fail or refuse to execute any application or other document necessary or appropriate to obtain any governmental consent necessary or appropriate for the exercise of any right of the Guarantor hereunder, provided that the Guarantor has

attempted in good faith to give the Borrower forty-eight (48) hours' prior written notice telecopied to its telecopier number set forth in the Reimbursement Agreement (whether or not the Borrower received or was capable of receiving such notice) then, to the full extent permitted by the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies, such application or other document may be executed on the Borrower's behalf by the clerk of any court or other forum in any competent jurisdiction without prior notice to the Borrower.

(vi) THE BORROWER HEREBY IRREVOCABLY CONSENTS TO AND WAIVES ANY RIGHT TO OBJECT TO OR OTHERWISE CONTEST THE APPOINTMENT OF A RECEIVER AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT. THE BORROWER GRANTS SUCH WAIVER AND CONSENTS KNOWINGLY AFTER HAVING DISCUSSED THE IMPLICATIONS THEREOF WITH COUNSEL, ACKNOWLEDGES THAT THE UNCONTESTED RIGHT TO HAVE A RECEIVER APPOINTED FOR THE FOREGOING PURPOSES IS CONSIDERED ESSENTIAL BY THE GUARANTOR IN CONNECTION WITH THE ENFORCEMENT OF ITS RIGHTS AND REMEDIES HEREUNDER AND UNDER THE OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith, AND THE AVAILABILITY OF SUCH APPOINTMENT AS A REMEDY UNDER THE FOREGOING CIRCUMSTANCES WAS A MATERIAL FACTOR IN INDUCING THE GUARANTOR TO MAKE (AND COMMIT TO MAKE) GUARANTY PAYMENTS ON BEHALF OF THE BORROWER, AND THE BORROWER AGREES TO ENTER INTO ANY AND ALL STIPULATIONS IN ANY LEGAL ACTIONS, OR AGREEMENTS OR OTHER INSTRUMENTS IN CONNECTION WITH THE FOREGOING AND TO COOPERATE FULLY WITH THE GUARANTOR IN CONNECTION WITH THE ASSUMPTION AND EXERCISE OF CONTROL BY THE RECEIVER OVER ALL OR ANY PORTION OF THE COLLATERAL.

(vii) The Borrower agrees that, in the event of any change in any Governmental Rule occurring after the date hereof that affects in any manner the Guarantor's rights of access to, or use or sale of the Media Licenses or the procedures necessary to enable the Guarantor to obtain such rights of access, use or sale (including changes allowing such greater access to, or use or sale), the Borrower, upon request of the Guarantor, shall amend this Agreement and any agreements executed in connection herewith in such manner as the Guarantor shall reasonably request to provide the Guarantor with such rights to the greatest extent possible consistent with then-applicable Governmental Rule, including the Communications Act of 1934 and the FCC's rules, regulations, administrative orders, and policies.

17. Guarantor Appointed Attorney-in-Fact. To the full extent permitted by applicable law, including the Communications Act of 1934 and FCC regulations, and subject to Section 16(k), the Borrower hereby irrevocably appoints the Guarantor as the Borrower's attorney-in-fact, effective upon and during continuation of an Event of Default, with full authority in the place and stead of the Borrower, and in the name of the Borrower or otherwise, from time to time in the Guarantor's sole and absolute discretion to do any of the following acts or things: (a) to do all acts and things, and to execute all documents, necessary or advisable to perfect and continue perfected the security interests created by this Agreement and to preserve,

maintain and protect the Collateral; (b) to do any and every act that the Borrower is obligated to do under this Agreement; (c) to prepare, sign, file and record, in the Borrower's name, any financing statement covering the Collateral; (d) to endorse and transfer the Collateral upon foreclosure by the Guarantor; (e) to grant or issue an exclusive or nonexclusive license of the Copyrights, the Patents, the Marks or the Programs to any Person upon foreclosure by the Guarantor; (f) to assign, pledge, convey or otherwise transfer title in or dispose of the Copyrights, the Patents, the Marks or the Programs to any Person upon foreclosure by the Guarantor; and (g) to file any claims or take any action or institute any proceedings that the Guarantor may reasonably deem necessary or desirable for the protection or enforcement of any of the rights of the Guarantor with respect to any of the Copyrights, the Patents, the Marks and the Programs; provided, however, that the Guarantor shall be under no obligation whatsoever to take any of the foregoing actions, and the Guarantor shall have no liability or responsibility for any act or omission (other than the Guarantor's own gross negligence or willful misconduct) taken with respect thereto. The Borrower hereby agrees to repay, within 10 Business Days after demand by the Guarantor, all reasonable out-of-pocket costs and expenses (including attorneys' fees) incurred or expended by the Guarantor in exercising any right or taking any action under this Agreement.

18. Costs and Expenses. The Borrower agrees to pay to the Guarantor all reasonable costs and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Guarantor in the enforcement or attempted enforcement of this Agreement, whether or not an action is filed in connection therewith, and in connection with any waiver or amendment of any term or provision hereof. All reasonable advances, charges, costs and expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Guarantor in exercising any right, privilege, power or remedy conferred by this Agreement (including the right to perform any obligation of the Borrower under the Credit Documents), or in the enforcement or attempted enforcement thereof, shall be secured hereby, shall become a part of the Guaranteed Obligations and shall be due and payable to the Guarantor by the Borrower on demand by the Guarantor therefor.

19. Transfers and Other Liens. The Borrower agrees that, except as permitted under the Reimbursement Agreement or any other Credit Document, it will not (a) sell, assign, exchange, transfer or otherwise dispose of, or contract to sell, assign, exchange, transfer or otherwise dispose of, or grant any option with respect to, any of the Collateral or (b) create or permit to exist any Lien upon or with respect to any of the Collateral.

20. Understandings with Respect to Waivers and Consents. The Borrower represents, warrants and agrees that each of the waivers and consents set forth herein is made with full knowledge of its significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights that the Borrower may otherwise have against the Guarantor or others or against any Collateral. If any of the waivers or consents herein are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

21. Indemnity. The Borrower agrees to indemnify the Guarantor from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement

(including enforcement of this Agreement), except to the extent such claims, losses or liabilities result from the Guarantor's gross negligence or willful misconduct.

22. Amendments, Etc. No amendment or waiver of any provision of this Agreement or consent to any departure by the Borrower herefrom (other than supplements to the schedules hereto in accordance with the terms of this Agreement) shall in any event be effective unless the same is in writing and made in accordance with Section 8.1 of the Reimbursement Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

23. Notices. All notices and other communications provided for hereunder shall be given in the manner, and to the respective addresses, set forth in Section 8.2 of the Reimbursement Agreement.

24. Continuing Security Interest; Successors and Assigns. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full in cash of the Guaranteed Obligations and the termination or expiration of the Guarantor's obligations under the Guaranty, (b) be binding upon the Borrower and its successors and assigns and (c) inure, together with the rights and remedies of the Guarantor hereunder, to the benefit of the Guarantor and its successors, transferees and assigns. The Guarantor may assign or otherwise transfer any rights in this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Guarantor herein or otherwise. Nothing set forth herein or in any other Credit Document is intended or shall be construed to give to any other party any right, remedy or claim under, to or in respect of this Agreement, any other Credit Document or any Collateral. The Borrower's successors shall include a receiver, trustee or debtor-in-possession thereof or therefor; provided, however, that, except as otherwise permitted under the Reimbursement Agreement, none of the rights or obligations of the Borrower hereunder may be assigned or otherwise transferred without the prior written consent of the Guarantor.

25. Release of Borrower. This Agreement, all obligations of the Borrower hereunder and all security interests granted hereby shall be released and terminated when all of the Guaranteed Obligations have been paid in full in cash and upon the termination or expiration of the Guarantor's obligations under the Guaranty. Upon such payment of the Guaranteed Obligations and such expiration or termination of the Guarantor's obligations under the Guaranty, all rights in and to the Collateral pledged or assigned as collateral by the Borrower hereunder shall automatically revert to the Borrower, and the Guarantor shall return any pledged Collateral in its possession to the Borrower, or to the Person or Persons legally entitled thereto, and shall endorse, execute, deliver, record and file all instruments and documents, and do all other acts and things, reasonably required for the return of the Collateral to the Borrower, or to the Person or Persons legally entitled thereto, and to evidence or document the release of the interests of Guarantor arising under this Agreement, all as reasonably requested by, and at the sole expense of, the Borrower.

26. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE**

**STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED
IN THE STATE OF CALIFORNIA.**

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- 28 -

TRADEMARK
REEL: 002839 FRAME: 0640

27. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

The Borrower has caused this Agreement to be executed by its duly authorized representative as of the date first written above.

KTEH FOUNDATION

By: 
Name: Thomas E. Fanella
Title: President

PLEDGED COLLATERAL

1. Pledged Shares

None.

2. Pledged Partnership Interests

None.

3. Pledged Limited Liability Company Interests

None.

INTELLECTUAL PROPERTYTrademarks

28. U.S. Trademark	Serial No. Registration No.	Filing Date Issue Date	Status / Assignee
REAL SCIENCE! and Design	2,392,538	10/10/00	Registered KTEH
TOMORROW/TODAY	73/376,292	07/23/82	Abandoned – 09/27/83
TOMORROW/TODAY	73/376,291	07/23/82	Abandoned – 09/27/83
TOMORROW/TODAY	73/376,290	07/23/82	Abandoned – 09/27/83

Copyrights

U.S. Copyright	Registration No.	Date Registered	Status
Cadillac Desert : pts. 1-4 / a Production of Trans Pacific Television and KTEH/San Jose ; Written, Produced and Directed by Jon Else	PA 876267	02/05/98	Registered KTEH-TV Foundation
Enterprise : no. 315, Cash on the Vine / Produced and Directed by David Espar	PA 299750	12/28/84	Registered
Fluorocarbons—the Unfinished Agenda / a Production of K T E H, San Jose, Office of the Santa Clara County Superintendent of Schools ; Written, Produced, and Directed by Nick Herlick	PA 213001	05/10/84	Registered
The Day After Trinity / a Production of Jon Else with K T E H, San Jose ; Produced and Directed by Jon Else	PA 161372	01/20/83	Registered
Cosmopolitan/adapted by Sabrina Dawan	PA 2654324	04/29/02	Registered
The Suitor, a.k.a. Yo!			

FCC LICENSES

KTEH Foundation holds the following Media Licenses:

Call Sign	Type of Station	Channel or Frequency	Location	File Number	Issuance Date	Expiration Date
KTEH(TV)	Public TV license	Channel *54	San Jose, CA	BLET-20030409AAS	9/10/03	12/01/06
KTEH-DT	Public DTV construction permit	Channel *50	San Jose, CA	BEPEDT-20030303AAT	5/7/03	11/7/03 ¹
KCAH(TV)	Public TV license	Channel *25	Watsonville, CA	BRET-19980819KE ²	2/23/99	12/1/06
KCAH-DT	Public DTV construction permit	Channel *58	Watsonville, CA	BEPEDT-20030303AAR	5/7/03	11/7/03 ³
KTEH1	TV booster license	Channel 54	Santa Cruz - Capitola - Watsonville, CA	BPUB-891011JC	8/3/98	12/1/06
KE97	Receive-only satellite earth station registration	3700-4200 MHz	San Jose, CA	SES-RWL-20000929-01817	10/12/00	12/1/06
KFE704	Remote pick-up license	455.1125 MHz	San Jose, CA	BPLRE-790604MY	11/10/80	12/1/06
WLI563	TV microwave relay station license	13200-13225 MHz	Near New Almaden, CA	(No license number assigned)	7/12/88	12/01/06
WGZ534 ⁴	Inter-city relay license	7050-7075 MHz	San Jose, CA	(No license number assigned)	7/21/97	12/01/06
KFE724	Broadcast Auxiliary Remote Pickup license	450.11250 MHz	Watsonville, CA	(No license number assigned)	7/18/00	12/01/06
KP2394	TV Pickup license	1990-2008 MHz	San Jose, CA	BMLTP-312	11/12/74	12/01/06
KS2170	TV Pickup license	1990-2008 MHz, 2025-2042 MHz,	San Jose, CA	BLTP-800321MG	5/28/80	12/1/06

¹ Extension through May 1, 2004 has been applied for in File No. BEPEDT- 20030908ABV.

² License assigned to KTEH Foundation in File No. BALET-19990212IF (FCC consent granted 8/17/99 and assignment consummated 5/26/00), construction permit to modify facilities granted in File No. BMPET-20010404ABJ, construction of modified facilities completed and application for license accepted for filing in File No. BLET-20030728AFA.

³ Extension through May 1, 2004 has been applied for in File No. BEPEDT-20030908ABW. Per FCC staff informal advice, change in tower Antenna Survey Registration is to be reported in application for covering license when station is activated.

⁴ Application pending in File No. 0001460120 to change station type to STL, add digital modulation, and change receive location.

		2059-2076 MHz, 2076-2093 MHz, 2093-2110 MHz				
KZH837	Broadcast Auxiliary Remote Pickup license	161.67, 161.73 MHz	San Jose, CA	BLRE-780719MJ	9/07/00	12/1/06
WBK244	TV Intercity Relay license	6950-6975 MHz	San Jose, CA	BMLTI-790801MC	7/21/97	12/1/06
WBK246	TV Studio Transmitter Link license	7075-7100 MHz	San Jose, CA	BLTS-2293	2/12/76	12/1/06
WCT817	TV Intercity Relay license	6875-6900 MHz	San Jose, CA	BPTI-2758, BLTI-2538	7/21/97	12/1/06
WCT818	TV Intercity Relay license	6925-6950 MHz	San Jose, CA	BLTI-2539	7/21/97	12/1/06
WLI564	TV Intercity Relay license	13200-13225 MHz	San Jose, CA	(No license number assigned)	7/12/88	12/1/06
WPWH567	TV Studio Transmitter Link license	7012.5 MHz	Watsonville, CA	(No license number assigned)	4/9/03	12/1/06
WPWH568	TV Studio Transmitter Link license	7087.5 MHz	San Jose, CA	(No license number assigned)	11/18/02	12/1/06

TRADE NAMES AND FICTITIOUS BUSINESS NAMES

KTEH-TV Foundation
KTEH Public Television

LOCATIONS OF EQUIPMENT AND INVENTORY

<u>Location</u>	<u>Qualified to do business in such location?</u>
KTEH Foundation KTEH Public Television 1585 Schallenberger Road San Jose, CA 95131	Yes
Was, Inc. 1233 So. Gene Autry Trail Palm Springs, CA 92264	Yes
Monument Peak One Weller Road Alameda County, CA 94586	Yes
Fremont Peak 8 Fremont Peak Salinas, CA 95045	Yes

LOCATIONS OF BOOKS AND RECORDS

1. Chief Executive Office
1585 Schallenberger Road, San Jose, CA 95131
2. Locations of Account Records, Material Contracts and Chattel Paper
1585 Schallenberger Road, San Jose, CA 95131

DEPOSIT ACCOUNTS, CERTAIN INVESTMENT PROPERTY AND LETTERS OF CREDIT1. Deposit Accounts

<u>Name and Address of Institution Holding Account</u>	<u>Account No.</u>
San Jose National Bank	0111955910 (Operations)
One North Market Street	112134010 (Payroll)
San Jose, CA 95113	116460010 (PTFP)
Contact: Marina Scott	116741310 (Auction)
(408) 947-7562	116761810 (Membership)
	116813410 (EPIC)
	151102511 (Money Market/Restricted)
	152944711 (Capital Campaign)
	153109311 (Money Market/Endowment)
Bank of America	00357-00735 (Investment Acct./Walker Mem.)
Bank of America Private Bank	00353-00048 (Investment Acct./Walker Mem.)
Banc of America Investment Services, Inc.	13684-02994
600 Hansen Way, Suite 220	
Palo Alto, CA 94304	
Attn: Karen M. Irvin	
Fax: (650) 496-2044	

2. Securities Accounts and Other Investment Property

<u>Description of Asset</u>	<u>Account No.</u>	<u>Name and Address of Institution Holding Account</u>
Securities Account for	SJ 5265-2891	Charles Schwab
Donated shares		121 Metro Drive
		San Jose, CA 95109
		Contact: Kerby Woo
		(800) 435-4000

3. Letters of Credit Issued for Benefit of Borrower

None.

UCC FILING OFFICES AND STATE ORGANIZATIONAL IDENTIFICATION NUMBER

Filing Office(s)
Secretary of State

State Organizational
Identification Number
California/C1003188

FORM OF LIMITED LIABILITY COMPANY NOTICE

TO: [Name of Pledged Entity]

Notice is hereby given that, pursuant to the Security Agreement dated as of September 1, 2003 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Agreement") made by KTEH Foundation (the "Borrower") in favor of The David and Lucile Packard Foundation (the "Guarantor"), the Borrower has pledged to the Guarantor, and granted the Guarantor a continuing security interest in, all right, title and interest of the Borrower, whether now owned or hereafter acquired, whether now or hereafter existing, and wherever located, as a member in [NAME OF PLEDGED ENTITY] (the "Limited Liability Company"), and in, to and under the [TITLE OF APPLICABLE LIMITED LIABILITY COMPANY AGREEMENT] (the "Limited Liability Company Agreement"), as such security interest is more particularly described in the Agreement.

Pursuant to the Agreement, the Limited Liability Company is hereby authorized and directed to register the Borrower's pledge to the Guarantor of the interest of the Borrower on the Limited Liability Company's books.

The Borrower hereby requests the Limited Liability Company to indicate the Limited Liability Company's acceptance of this Notice and consent to and confirmation of its terms and provisions by signing a copy hereof where indicated on the attached page and returning the same to the Guarantor.

KTEH FOUNDATION

By: _____
 Name: _____
 Title: _____

FORM OF ACKNOWLEDGMENT

[NAME OF PLEDGED ENTITY] (the "Limited Liability Company") hereby acknowledges receipt of a copy of the Limited Liability Company Notice by KTEH FOUNDATION (the "Borrower") of its interest under the [TITLE OF APPLICABLE LIMITED LIABILITY COMPANY AGREEMENT] (as it may be amended, restated, supplemented or otherwise modified from time to time) pursuant to the terms of the Security Agreement dated as of September 1, 2003 (as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof) made by the Borrower in favor of The David and Lucile Packard Foundation (the "Guarantor"). The undersigned hereby further confirms the registration of the Borrower's pledge of its interest to the Guarantor on the Limited Liability Company's books. The undersigned acknowledges the control by the Guarantor of the Borrower's interest in the Limited Liability Company and confirms that the undersigned will act upon the direction of the Guarantor alone with respect to such interest.

_____, 20__

[NAME OF PLEDGED ENTITY]

By: _____

Name: _____

Title: _____