

March 29, 2010

Jon Leibowitz
Chairman
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580

Re: Complaint against Sean Hannity, Freedom Concerts and Freedom Alliance

Dear Chairman Leibowitz:

Citizens for Responsibility and Ethics in Washington ("CREW") respectfully requests that the Federal Trade Commission ("FTC") investigate whether the Freedom Alliance, Freedom Concerts, Premiere Marketing, Sean Hannity, Lt. Col. Oliver North, and Duane Ward have engaged in "unfair or deceptive acts or practices in or affecting commerce" in violation of 15 U.S.C. § 45(a) by suggesting the proceeds of all ticket sales for the Freedom Concerts go to college scholarships for the children of deceased and wounded military service members.

Freedom Alliance

The Freedom Alliance is a nonprofit 501(c)(3) organization whose mission is to "advance the American Heritage of freedom by honoring and encouraging military service, defending the sovereignty of the United States and promoting a strong national defense." The Alliance was founded in 1990 by Lt. Col. Oliver L. North, who now serves as the organization's honorary chairman.¹ One of the Freedom Alliance's programs is a scholarship fund:

Freedom Alliance provides college scholarships to students who are dependents of U.S. military personnel who have been killed or permanently disabled in a combat mission or a training accident. Freedom Alliance scholarships are awarded to help the sons and daughters of American heroes achieve a college education, and to honor servicemembers who have sacrificed life or limb for our nation.²

According to Freedom Alliance, it has awarded a total of \$2.5 million in college scholarships.³ During 2008, Freedom Alliance awarded \$802,250 in scholarships to 167

¹ http://www.freedomalliance.org/index.php?option=com_content&task=view&id=2172&Itemid=21.

² Freedom Alliance, 2008 Form 990.

³ Freedom Alliance, 2008 Form 990. Recently, however, in response to allegations made against Freedom Alliance by a blogger, the organization claimed to have distributed \$3.4 million in scholarships and created a scholarship trust fund with additional money. *See*

students.⁴ In 2007, Freedom Alliance awarded \$895,347 in grants, though the 990 does not specifically separate out the money expended on scholarships from that awarded for other purposes.⁵ Freedom Alliance awarded \$306,500 in college scholarships in 2006⁶ and \$248,250 in 2005.⁷ In 2004, Freedom Alliance awarded \$105,250 in grants, but did not indicate what portion of those funds specifically went to college scholarships.⁸ Similarly, in 2003, Freedom Alliance awarded \$88,000 in grants, but again did not indicate what portion of those funds specifically went to college scholarships.⁹ Freedom Alliance made no grants in 2002.¹⁰

Thus, for the years Freedom Alliance separately lists funds spent on college scholarships – 2008, 2006 and 2005 – it awarded \$1,357,000 in college scholarships. Freedom Alliance’s 2007 Form 990 does not specifically state the amount awarded for scholarships, but it does separately list amounts paid to universities -- presumably for scholarship grants. Totaling these grants, it appears Freedom Alliance awarded \$597,500 for college scholarships in 2007. There is no way to determine what portion of grant funds were expended on college scholarships in 2004 and 2003, but even assuming all grants in those years were made for scholarships (an unlikely circumstance given that the organization also awards grants to wounded, hospitalized service members) a total of \$193,250 could have spent on scholarships in those years. As a result, adding the scholarship awards for the years 2003 to 2008, at the outer limit, Freedom Alliance might have awarded \$2,147,750 in college scholarships, meaning the charity has overstated the amount awarded by a minimum of \$352,250.

In addition to overstating its total scholarship expenditures, a disproportionately small percentage of Freedom Alliance’s annual budget has gone to scholarships. As stated above, from 2003 to 2008 Freedom Alliance awarded \$2,147,750 in scholarships.¹¹ During the same period,

http://www.freedomalliance.org/images/pdf_and_largepics/freedom_alliance_response.pdf.

⁴ Freedom Alliance, 2008 Form 990.

⁵ Freedom Alliance, 2007 Form 990. In addition to scholarships, Freedom Alliance also makes grants under the “Support Our Troops” program, which provides “financial grants to military personnel wounded in Operation Iraqi Freedom or Operation Enduring Freedom who are recuperating in a military hospital.” Such funds “may be used for a variety of reasons including expenses, personal items, travel expenses for family visits, recreational activities, or other expenses that may facilitate their rehabilitation.” *Id.*

⁶ Freedom Alliance, 2006 Form 990.

⁷ Freedom Alliance, 2005 Form 990.

⁸ Freedom Alliance, 2004 Form 990.

⁹ Freedom Alliance, 2003 Form 990.

¹⁰ Freedom Alliance, 2002 Form 990.

¹¹ Freedom Alliance, 2003-2008 Form 990s.

the organization spent twice that amount on salaries and nearly quadruple that amount on shipping expenses: \$4.7 million and \$8.1 million respectively.¹² In addition, in 2008 alone, Freedom Alliance paid two fundraising firms a total of \$2,696,739, more than they have given in scholarships from 2003 to 2008.¹³

Freedom Concerts

On July 11, 2003, conservative Fox News Channel commentator Sean Hannity held the first of a series of “Freedom Concerts,” featuring country music stars and conservative political figures.¹⁴ The purpose of the concerts is allegedly to raise money for college scholarships for children of wounded and killed military service members.¹⁵

In 2003, Mr. Hannity’s personal website, Hannity.com, indicated the money raised by the concerts would go to the Hannity Scholarship Fund, then administered by the Freedom Alliance. The website stated:

Join Sean and friends in this grand event and help raise funds for the Hannity Scholarship Fund, benefitting the children of those military men and women to those that gave the ultimate sacrifice for their country and to those also wounded during the call of duty. It features a live broadcast of Sean's show followed by a concert with country stars Sara Evans and the Charlie Daniels Band, Darryl Worley and with special guest, Oliver North at Six Flags Great Adventure theme park in Jackson, New Jersey. The concert arena can hold 10,000 people, and we anticipate it will be packed to overflowing for this event. All you have to do is buy a ticket specifically for the concert, and it will get you into the park as well. You then must show your concert ticket later in the day at one of the booths by the arena, to pick up your wristband that will allow you into the concert that night. . . .

This charity event will raise funds for Freedom Alliance, which provides scholarships to the children of the military killed in the line of duty. To make donations to the Hannity Scholarship Fund, please CALL 1 (800)329-5454 or make your secured donation online at the Freedom Alliance web site.¹⁶

¹² *Id.* (Shipping expenses include line items labeled “Postage and Shipping” or “Postage and Delivery”).

¹³ Freedom Alliance, 2008 Form 990.

¹⁴ <http://web.archive.org/web/20030603185215/hannity.com/index.cfm/bay/content.event2.htm>.

¹⁵ *Id.*

¹⁶ <http://web.archive.org/web/20030603185215/hannity.com/index.cfm/bay/content.event2.htm>.

By 2004, Mr. Hannity was no longer soliciting funds for his own scholarship fund, instead announcing that proceeds from the Freedom Concerts would be donated to the Freedom Alliance Scholarship Fund.¹⁷

According to Freedom Concert's website, since 2003 over \$10 million has been raised for the Freedom Alliance Scholarship Fund through the Freedom Concerts and generous donations from the Sean Hannity Show and its listeners.¹⁸ The website states "the Scholarship Fund is designated for the education of children of U.S. service members who have been killed or 100% permanently disabled in an operational mission or training accident. All net proceeds from ticket sales (after musical talent, production, promotion and venue expenses) are donated to the Scholarship Fund."¹⁹ Nowhere on Freedom Concert's website is either the dollar amount or percentage of each ticket's price donated to the scholarship fund indicated.²⁰ A web search, however, indicates that for at least one 2007 concert held in San Diego, California, a \$4 "fee" was included in the ticket price as a donation to the Freedom Alliance.²¹

Judging by two August 2009 Freedom Concerts in Texas and Nevada that respectively grossed \$621,792 and \$520,840,²² it seems fair to estimate that each concert grosses a minimum of \$500,000. Since 2003, there have been at least 18 concerts, which – estimating conservatively – would have grossed at least \$9 million, millions more than Freedom Alliance has spent on college scholarships.

Premiere Marketing

The owner of FreedomConcerts.com, the website promoting the concerts and selling concert tickets and merchandise, is Duane Ward, the president of Premiere Speakers Bureau.²³ In the 1980s, Mr. Ward served as the public relations director for Rev. Jerry Falwell's Moral Majority²⁴ before heading the National Christian Network.²⁵ In 1987, Mr. Ward opened his own

¹⁷ <http://web.archive.org/web/20040701203516/http://hannity.com/>.

¹⁸ <https://freedomconcerts.com/>.

¹⁹ *Id.*

²⁰ *See Id.*

²¹ http://web.archive.org/web/20070820035316/http://760kfmb.com/kfmb_info/hannity_freedom_concert/.

²² <http://pulsemusic.proboards.com/index.cgi?action=display&board=gmh&thread=89285&page=1;>
<http://pulsemusic.proboards.com/index.cgi?board=gmh&action=display&thread=88862>.

²³ <http://www.networksolutions.com/whois-search/freedomconcerts.com>.

²⁴ Falwell to Assume Temporary Pulpit in Maine, *Associated Press*, January 6, 1986;

²⁵ Peter J. Boyer, Falwell Buys a Cable-TV Network, *New York Times*, January 16, 1986.

public relations firm, The Ward Group, and in 1988 launched a fundraising campaign for Lt. Col. Oliver North's legal defense fund.²⁶ From 1988 to 1993, Mr. Ward served as Lt. Col. North's chief of staff.²⁷ In 1994, Mr. Ward founded the Christian Speakers & Artists Agency, and in 1999 he incorporated the business in Florida under the new name, Premiere Speakers Bureau.²⁸ Premiere represents a number of conservative celebrities, including Mr. Hannity and Lt. Col. North.²⁹

Billboard listed the promoter of an August 8, 2009 Freedom Concert in Nevada as Premiere Marketing.³⁰ In addition, a license agreement for a "Sean Hannity Freedom Concert Tour" ("Tour") event to be held at the University of Central Florida Arena ("UCF Arena") on August 14, 2010, names the licensee as "Duane Ward, Premiere Marketing, Inc."³¹ The arena is charging Premiere Marketing a \$28,000 licensing fee. While the agreement indicates that only the arena has the right to sell or distribute tickets, an addendum to the agreement allows the Tour "to promote its schedule to listeners and viewers of Sean Hannity Radio and Television before the 'on sale date'" and gives the Tour the right to promote and sell "pre-sale" tickets before May 1, 2010.³² Under this unusual agreement, such tickets are specifically "exempt from any ticket service fee/charges (e.g. 'Ticketmaster')." ³³ As of March 26, 2010, the higher-priced tickets already had sold out,³⁴ meaning Premiere Marketing will receive all the proceeds for those ticket sales, excluding sales tax.

²⁶ David E. Anderson, Mainstream Churches Entering 'Star Wars' Debate, *UPI*, May 15, 1987; Jean Heller, Nationwide Campaign Seeks Money for North Legal Help, *St. Petersburg Times*, July 31, 1988.

²⁷ iExalt, Inc.'s ChristianSpeakers.com Adds Exclusive Representation of Oliver L. North, *Business Wire*, May 25, 2000.

²⁸ <http://tnbear.tn.gov/ECommerce/Common/FilingDetail.aspx?FilingNum=000280458;>
<http://tnbear.tn.gov/ECommerce/Common/FilingDetail.aspx?FilingNum=000451479;>
http://sunbiz.org/scripts/cordet.exe?action=DETFIL&inq_doc_number=P99000092836&inq_came_from=NAMFW D&cor_web_names_seq_number=0001&names_name_ind=N&names_cor_number=&names_name_seq=&names_name_ind=&names_comp_name=PREMIERESPEAKERSBUREAU&names_filing_type=.

²⁹ <http://premierespeakers.com>.

³⁰ <http://pulsemusic.proboards.com/index.cgi?board=gmn&action=display&thread=88862>

³¹ University of Central Florida Arena License Agreement, November 4, 2009 (attached as Exhibit A).

³² Addendum: 2010 Sean Hannity Freedom Concert Tour Rider.

³³ *Id.*

³⁴ <https://freedomconcerts.com/orlando>.

Freedom Concert merchandise, such as t-shirts and autographed copies of Lt. Col. North's book, *American Heroes*, are sold through Premiere Collectibles.³⁵ As its website states, Premiere Collectibles is "Brought to you in association with Premiere Speakers Bureau."³⁶ Premiere Speakers Bureau, Premiere Marketing and Premiere Collectibles all share the same Franklin, Tennessee address.³⁷

Deceptive Marketing

Mr. Hannity, who is exclusively represented by Premiere Speakers Bureau, is promoting concerts staged by Premiere Marketing for the alleged benefit of the Freedom Alliance, whose honorary chairman is also an exclusive Premiere Speakers Bureau client, Lt. Col. North, who has had a decades-long relationship with Premiere's president, Duane Ward. It is quite possible Mr. Hannity and Lt. Col. North receive their usual speaking fees for appearing at these concerts.³⁸ The concerts, rather than being the wholly charitable enterprises they are billed as, really appear to be for-profit events for the benefit of Premiere Marketing, with an unknown portion of the proceeds donated to the Freedom Alliance for college scholarships.³⁹

These facts and the role of Premiere and Mr. Ward are well-hidden from consumers who have been deliberately misled by to believe the full price of their concert tickets goes to college scholarships for the children of killed and wounded military service members.

Although Freedom Concerts' website indicates the net proceeds from the concerts go to the scholarship fund, Mr. Hannity has a record of using his television show on Fox to misrepresent the facts:

³⁵ https://premierecollectibles.com/freedom_concert_store.

³⁶ <https://premierecollectibles.com>.

³⁷ UCF Arena license agreement denotes Premiere Marketing's address as 109 International Drive, Suite 300, Franklin, TN 37067. The web sites for Premiere Speakers Bureau and Premiere Collectibles provide the same address. See <http://premierespeakers.com>; <https://premierecollectibles.com>.

³⁸ Although in a March 18, 2010 statement Freedom Alliance claimed it "has never provided planes, hotels, cars, limos, or ³⁸anything else to Sean" and that "Sean pays for all his own transportation, hotels, and all related expenses for himself and his family and friends and staff," because Premiere Marketing -- and not Freedom Alliance -- actually stages the concerts and pays all related expenses, it is entirely possible Mr. Hannity has received payment and travel expenses from Premiere Marketing for participating in Freedom Concerts. Similarly, Freedom Alliance's statement is silent as to any payments Lt. Col. North may have received for participating in the concerts.

³⁹ As explained above, according to a single 2007 advertisement on San Diego radio station 760 KFMB's web site, the proceeds may be \$4 per ticket, but CREW has been unable to find any other references to either specific dollar figures or percentages of ticket sales donated to Freedom Alliance through Freedom Concerts.

On July 10, 2003, Mr. Hannity reminded viewers that a Freedom Concert was to be held the following evening. He stated, “And by the way, you can still go. Great Adventure, Jackson, New Jersey, Six Flags. **All the proceeds go for the scholarship fund.**”⁴⁰

On May 27, 2004, Mr. Hannity was promoting the Freedom Concerts with his guest, Lt. Col. North. Mr. Hannity asked Lt. Col. North to talk more about the scholarship fund and Lt. Col. North stated, “**I get letters every single day into the foundation. There’s no overhead. There’s no expenses taken out. Every penny that’s donated or that’s raised through things like the Freedom Concert on July 8,** when I hope everybody watches (*sic*) is going to join us out there.”⁴¹ Lt. Col. North continued, “And what we’re going to do is we’re going capstone this \$2 million fundraising campaign. **Every penny of which will go to support a youngster in college.** All they have to do is get into college. The check goes to the college.”⁴²

On May 19, 2005, promoting his upcoming Freedom Concert at Six Flags in Jackson, New Jersey, Mr. Hannity proclaimed, “**Every penny, 100 percent of the donations, are applied to the Freedom Alliance Scholarship Fund.** We’re going to send all 1,300 kids of slain soldiers to college with your help.”⁴³

On July 28, 2006, Mr. Hannity played a video clip, taped at a Freedom Concert in New Jersey, of Lt. Col. North declaring to the audience, “Look at this crowd that’s gathering here for this wonderful concert, **all of which, every penny [that] comes in goes to support the widows, the orphans, the dependents of those who died in the line of duty.**”⁴⁴

On June 6, 2007, Mr. Hannity promoted an upcoming Freedom Concert, stating “**The purpose is all the money that we make we put in a scholarship fund for the children of these slain heroes.**”⁴⁵

On December 2, 2009, Mr. Hannity stated, “**All the benefits of these funds benefit the Freedom Alliance Scholarship. All the proceeds go to them, a scholarship fund for the children of slain heroes.**”⁴⁶

⁴⁰ *Hannity & Colmes*, Fox July 10, 2003.

⁴¹ *Hannity & Colmes*, Fox, May 27, 2004.

⁴² *Id.*

⁴³ *Hannity & Colmes*, Fox, May 19, 2005.

⁴⁴ *Hannity & Colmes*, Fox, July 28, 2006.

⁴⁵ *Hannity & Colmes*, Fox, June 6, 2007; (available at <http://www.youtube.com/user/TheFreedomAlliance#p/f/4/oenadMX4Ano>).

⁴⁶ *Hannity*, Fox, December 2, 2009.

More recently, Mr. Hannity appears to have been trying to cover himself against allegations of deceptive marketing, stating that all proceeds go to scholarships, but then adding the caveat, “the net proceeds.” For example, after having stated that all proceeds go to the scholarship fund on December 2, 2009, the next evening, December 3, Mr. Hannity stated, “Here’s the best part: **all the proceeds go to the Freedom Alliance scholarship fund for the children of slain soldiers, the net proceeds.**”⁴⁷

Legal Violations

At least tens of thousands of people (likely over one hundred thousand) have purchased tickets to Freedom Concerts since the tours first began in 2003. Generous contributors believed the full price of their tickets was going to support a particular program providing scholarships to children of military service members killed or wounded in action. In fact, it appears only a small portion of each ticket price – perhaps \$4 – has been spent on the charitable programs described to donors. Instead, Premiere Marketing and Collectibles has collected all funds generated by ticket and tour merchandise sales and donated some unknown amount to Freedom Alliance. Not only were individual donors deceived, but their gifts left fewer dollars to support the many legitimate nonprofit organizations that operate real programs for the benefit of children of killed and wounded service members. In addition, Freedom Alliance has deceived donors by repeatedly claiming that through 2008, \$2.5 million was spent on scholarships, yet a review of the charity’s own IRS Form 990s indicate the real figure is no more than \$2.15 million, probably less.

Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a) prohibits “unfair or deceptive acts or practices affecting commerce.” In numerous instances, Sean Hannity and Lt. Col. Oliver North, in connection with soliciting charitable solicitations from donors, represented, expressly or by implication, that the full value of the tickets purchased for the Freedom Concerts would go to a legitimate charitable organization the primary purpose of which is to serve the public good by assisting the children of killed and wounded military service members with college scholarships. In truth and in fact, however, the vast majority of the donors’ contributions does not go to pay for college scholarships, but instead goes to corporate entities, Premiere Marketing and Premiere Collectibles, controlled by private persons, namely Duane Ward, for individual pecuniary gain. Therefore, the representations made by Mr. Hannity, Lt. Col. North and others associated with Freedom Concerts are false and misleading and constitute deceptive acts or practices in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Conclusion

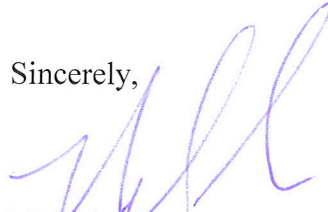
At a time when our nation is at war, it is despicable that a small group of people may be preying upon the generosity of Americans by deceiving them into believing they are aiding the children of killed and wounded service members when, in fact, most of the money raised is going to a for-profit venture. CREW respectfully requests that the FTC immediately investigate the

⁴⁷ *Hannity*, Fox, December 3, 2009.

Freedom Concerts to ascertain whether these concerts are being promoted in violation of the prohibition on deceptive marketing.

Thank you for your consideration.

Sincerely,



Melanie Sloan
Executive Director

Encls.

cc: David C. Vladeck
Director, Bureau of Consumer Protection

Jerry Brown
Attorney General
State of California

Bill McCollum
Attorney General
State of Florida

Thurbert Baker
Attorney General
State of Georgia

Paula Dow
Attorney General
State of New Jersey

Catherine Cortez Masto
Attorney General
State of Nevada

Richard Corday
Attorney General
State of Ohio

W.A. Drew Edmondson

Attorney General
State of Oklahoma

Greg Abbott
Attorney General
State of Texas

EXHIBIT A

**UCF ARENA
UNIVERSITY OF CENTRAL FLORIDA ARENA
LICENSE AGREEMENT**

THIS LICENSE AGREEMENT (the "Agreement") is made and entered into this **4th day of November, 2009**, by and between **GLOBAL SPECTRUM, L.P.**, a Delaware limited partnership, on behalf of University of Central Florida the **UCF ARENA**, having its principal office at 50 N. Gemini Blvd., Orlando, Florida, (hereinafter "Licensor"), and the following entity:

Company/Licensee: Mr. Duane Ward, Premiere Marketing, Inc. [Promoter, Signatory]

Contact : 109 International Drive, Suite 300

Address : Franklin, TN 37067

Phone : (615) 261-4000 Office

(615) 261-2108 Fax

TAX ID: 72-1558283

W I T N E S S E T H:

WHEREAS, Licensor manages and operates a multi-use sports and entertainment facility in Orlando, FL known as the **University of Central Florida Arena (UCF ARENA)** and has the power and authority to license the use thereof to others for the purpose of holding and presenting certain events; and

WHEREAS, Licensee desires to license the use of the **UCF Arena** and its facilities and adjacent areas from Licensor, and Licensor desires to license the use thereof to Licensee, for the purpose of holding and presenting "**Sean Hannity Freedom Concert Tour**" (the "Event"), all subject to the terms and conditions set forth below.

Proof of artist contracts are to be presented to the UCF ARENA before tickets can go on sale to the general public.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

- I. Grant of License; Premises.
 - A. Licensor hereby grants to Licensee license to use, and Licensor shall make available to Licensee, that portion of the UCF arena and its facilities and adjacent areas as may be necessary for the presentation of the Event (the "Arena"), including the Arena's floor, seating facilities, access areas, public address and scoreboard, sound systems, dressing rooms, press rooms, corridors, stairways, walks and lavatories in or about the Arena, and such other areas or parts of the Arena as may be necessary for the presentation of the Event, all upon the terms and conditions set forth herein. Licensee hereby agrees to, and shall, use the Arena to hold and present the Event as contemplated by this Agreement.
 - B. Licensor shall retain the right to use any portion of its facility not covered by this agreement. Licensor also retains the right to re-enter or use any portion of the facility, which becomes vacant for sufficient time to warrant doing so; Licensor shall retain all proceeds from all such actions.
 - C. Licensor shall retain the right to cause the interruption of any performance in the interest of public safety and to likewise cause the termination of such performance when in the sole judgment of Licensor such act is necessary in the interest of public safety.

D. Should it become necessary in the judgment of Licensor To Evacuate The Premises Because Of A Bomb Threat Or For Other Reasons Of Public Safety Licensee Will Peaceably Vacate The Premises In A Timely And Orderly Manner. Once Licensor Has Declared That The Facility Is Safe To Re-Enter, Licensee Will Be Granted Use Of The Licensor For Sufficient Time Following Evacuation To Complete Presentation Of Activity Without Additional Rental Charge Providing Such Time Does Not Interfere With Another Building Commitment. If In The Sole Judgment Of Licensor It Is Not Possible To Complete The Presentation Of The Activity, Licensor Charges Shall Be Forfeited, Prorated, Or Adjusted At The Discretion Of The Licensor Based On The Situation And The Licensee Hereby Waives Any Claim For Damages Or Compensation From The Licensor.

2. Term; Scheduling; Renewal.

A. The term of the license granted hereby shall begin **Saturday, August 14th, 2010** (the "Term").

B. In addition to the period set forth in the preceding paragraph, Licensor shall make the Arena available to Licensee, without charge, for (i) preparation of the Event and delivery, move-in and set-up of Licensee's freight and other properties on **THE SAME DATE** beginning at 6:00 AM and (ii) load-out immediately following conclusion of the Event, ending at a mutually agreed time but in any event no later than 11:59 PM.

C. Coordination of any and all deliveries for the Event (or each session thereof) will be the responsibility of Licensee. If Load-out shall run beyond the mutually agreed upon time, Licensee shall be liable for any additional expenses incurred by Licensor, including but not limited to payments to labor.

3. Duties of Licensee. In connection with the presentation of the Event, Licensee shall provide (or cause to be provided) and pay for the following:

A. (1) All participants and staff required for the proper presentation of the Event, including but not limited to performer, medical staff, and any other staff required for the proper presentation of the Event and, where specified by Licensee, sound system, lighting, staging, technical, catering and set-up personnel regularly employed by Licensee in presenting the Event, together with Workers' Compensation Insurance with respect to such personnel; and

(2) All tangible items of property necessary for the proper presentation of the Event.

B. All ASCAP, BMI and similar licenses required for the use of copyrighted or licensed music in connection with the presentation of the Event, and all other licenses or permits required in connection with the use of the Arena for the Event, all of which licenses and permits shall be procured by Licensee prior to commencement of the Term and presented to Licensor upon **Written** request;

C. The advertising, promotion and publicity campaign necessary and desirable to promote the Event; and

D. **THIRTY (30)** complimentary tickets to Licensor to each session of the Event, with locations of seats to be **mutually agreed** to for sale to the general public.

4. Duties of Licensor. In connection with the presentation of the Event, Licensor shall provide, or cause to be provided, the following (the costs of which shall be borne by Licensee in addition to the Base License Fee [as defined in Section 6A(1) below], except as otherwise expressly provided below):

A. The Arena, including the general concourse area, public address systems and such other parts or areas of the Arena as may be necessary for Licensee to present and produce (if applicable) the Event (the costs of which shall be included within the Base License Fee);

B. Electricity and other utilities for lighting, heating, air conditioning and other services used in conjunction with the Event and the set-up and removal related thereto;

C. Cleaning and janitorial service during and after the Event;

D. All necessary support services, including, but not limited to, all ancillary staff necessary to hold the Event at the Arena (other than those being provided by Licensee pursuant to Subsection 3A(1) above), including ushers, doormen, emergency medical technicians (for patrons only), security guards and supervisors (including overnight security), change-over and set-up crew, heating and air conditioning superintendent, house electrician, carpenter, telephone operator and ticket takers for the day or evening of each session of the Event;

E. Additional items, personnel and services, other than those set forth above, which Licensee requests to be provided in connection with the Event and which Licensor is reasonably able to provide, such as stagehands for set-up, take down and productions, additional production requirements, catering, and lighting and/or sound equipment other than the current sound or lighting system in Arena, Box Office Fees (3.5% of gross capped at \$1,500) all of which shall be subject to the approval of Licensor.

5. Marketing and Advertising.

A. Licensee, at its expense, shall provide the necessary personnel to, and shall use its reasonable best efforts to, market and promote the Event.

B. (1) All advertisements for the Event shall be developed by Licensee (including, but not limited to, all advertising publicity material, promotions material, press releases, posters, flyers and handbills) and shall be produced at the sole cost and expense of Licensee.

(2) Without the prior written approval of Licensor, which approval shall not be unreasonably withheld or delayed, Licensee shall not in any manner transmit, record or videotape or otherwise reproduce or disseminate any part of, or a description of any part of, the Event (including, but not limited to, radio, television, cable television, commercial television, closed circuit television and/or pay television, video disc or phonograph recording).

(3) Without the prior written approval of Licensor, which approval may be withheld in Licensor's sole discretion, Licensee shall not permit any commercial banner, signage, advertisement or promotional announcement to be posted or made within the Arena or adjacent grounds.

(4) Subject to the provisions of Subsection 5B(3) above, Licensee shall have the right to sell sponsorship for the Event. All revenues generated from the sale by Licensee of such sponsorship shall be retained by Licensee, provided that all such sales shall be subject to the prior written approval of Licensor. Licensor hereby retains the right to sell sponsorship for the Event, for which Licensor shall receive a commission of Ten (10%) **percent** on gross sales revenues from such sales. All remaining revenues shall be paid to Licensee at the time of settlement in accordance with Subsection 6C.

(5) Licensee shall make mention of the name "UCF Arena" as the site of the Event in connection with any advertising or promotion thereof. All promotional materials shall contain the standard "UCF Arena" logo positioned full width across the bottom. However, Licensor must approve all such uses of the UCF Arena name prior to dissemination of any promotional materials, which approval shall not be unreasonably withheld or delayed.

(6) All advertisements for the Event presented pursuant to the provisions of this Agreement (including but not limited to, all advertising, publicity material, promotions material, press releases, posters, flyers, handbills and radio and television commercials) shall be submitted by Licensee to Licensor for its prior approval before use.

C. If Licensee seeks the assistance of Licensor with respect to group sales for the Event, Licensee shall pay Licensor a **Ten (10%)** percent commission for all group sales tickets sold by Licensor's Group Sales Department, plus approved expenses. Said commission shall be calculated upon the gross ticket price less applicable sales or amusement taxes.

6. License Fee.

A. In consideration of the licensee granted hereby and Licensor's agreement to provide the items set forth in Paragraph 4 hereof, Licensee shall pay Licensor the following (collectively, the "License Fee"):

1. **FLAT RENTAL FEE OF \$28,000 Cash PLUS 6.5% (SIX AND A HALF PERCENT) FLORIDA SALES TAX OF THE FLAT RENTAL FEE AMOUNT, PLUS REIMBURSABLE EXPENSES AS LISTED IN SUBSECTIONS 4E (with the exception of sounds/lights, which will not be provided by Licensor); plus**

B. A non-refundable deposit in the amount of **Ten Thousand (\$10,000) Dollars** is due and payable to Licensor upon execution of this Agreement. Licensee agrees to make additional deposit with Licensor at address on this agreement, of such sums as Licensor feels are necessary to cover those costs, including excessive changeovers or set-ups, which the Licensor would encounter on behalf of Licensee in relation to the event and to make such payment by Certified Check payable to the UCF ARENA, in lawful money of the United States of America. Licensor agrees that such demand will not be made more than twenty days prior to the first date of the event described herein.

C. At the conclusion of the Event (or each session of the Event, if applicable), Licensor and Licensee shall conduct a preliminary settlement respecting all items of income and expense which are subjects of this Agreement. At said settlement, Licensee and Licensor shall preliminarily account to the other for all income items received by each as of such date and shall make payment to the other (if applicable) of any and all sums due to the other in accordance with this Section 6. A final settlement shall be made by the parties within seven (7) business days following the expiration of the Term.

D. Licensee acknowledges that use of all Suite Seating areas in the Arena are not hereby licensed or provided by Licensor to Licensee and agrees that any revenue derived from the utilization or license of such Suites areas in connection with the Event shall be for the sole account of Licensor.

E. Licensee shall pay Licensor the License Fee and any and all additional fees due hereunder without abatement, deduction or set-off. Licensor may, at its election, collect all or any part of the License Fee due hereunder out of the receipts of sales of tickets, by whatever source, or concessions provided by or on behalf of Licensor, and Licensor shall have a first lien upon and security interest in such receipts to the extent of any amount required to be paid to Licensor by Licensee hereunder.

7. Licenses.

A. Licensee shall secure in advance, prior to commencement of the Term, (a) all licenses and permits that may be required by or in connection with the use of the Arena for the Event and (b) all licenses required by any performing arts societies, such as ASCAP and/or BMI, for music or other works to be utilized or displayed in connection with the Event. Licensee shall do all other acts necessary to comply with all laws and requirements of all public authorities and all rules and regulations of Licensor in connection with the presentation of the Event.

B. Licensee shall not use the name, likeness or image of any player, performer or other attraction in connection with the Event or the advertising thereof unless Licensee shall have entered into a license or similar agreement with such party respecting such rights.

- C. Licensee acknowledges that, in the event Licensors believe and request in writing, in its sole discretion, that any of the artist(s) or performer(s) that are subject of the Event may be "non-resident aliens" (as defined in Section 7701 (b)(1)(B) of the United States Internal Revenue Code ("IRC")), then Licensors shall have the right, notwithstanding any provision of this Agreement to the contrary, to withhold to thirty percent (30%) of any amounts owed by Licensors to Licensee hereunder, for purposes of remitting such amounts to the United States Treasury in compliance with IRC Section 1441; provided, however, Licensors shall not withhold any amounts in the event either (i) Licensee provides to Licensors prior to the Event a written certification, in a form acceptable to Licensors in its sole discretion, that there are no "non resident aliens" (as defined under the IRC) performing at the Event, and Licensors has no reasonable basis to believe otherwise, or (ii) such artist(s) or performer(s) have, prior to the Event, entered into a Central Withholding Agreement ("CWA") with the IRS and withholding agent, and Licensors has been provided with a copy of the CWA prior to the Event."

8. Concessions; Merchandising; Programs

A. Licensors specifically reserves to itself and its concessionaires the right to sell, and proceeds from the sale of, refreshments and beverages, parking privileges and all other concessions at the Event (except as otherwise provided in Subsection 8B below). Licensee shall not sell or distribute, whether or not on a complimentary basis, any food, beverage or other merchandise and shall have no right to operate a concession during the Event, without obtaining Licensors' prior written approval.

B. With respect to merchandise concessions, **Licensors**, or persons designated by it, shall sell such merchandise, and all proceeds from the sale thereof, after deduction of applicable taxes and city licenses and inspections charges, **shall be divided Seventy-Five (75%) percent to Licensee and Twenty-Five (25%) percent to Licensors**. Prior to the commencement of the Term, Licensee shall deliver, or cause to be delivered, all merchandise to be sold by Licensors hereunder. Licensee shall insure against and bear the risk of damage, theft or other loss of such merchandise, whether or not such merchandise is in the possession or control of Licensors at the time of such loss, and shall be responsible for all freight and transportation of such merchandise to and from the Arena. **Ninety (90%) to Licensee and Ten (10%) to Licensors on CD's and DVD's.**

9. Time of Occupancy.

Licensors agrees to open the Arena to the public at least one (1) hour before the Event (or each session thereof).

10. Insurance.

A. Licensee shall obtain, at its own cost and expense, commercial general liability insurance in the name of Licensee which shall insure all operations of Licensee contemplated by this Agreement and the contractual assumption of liability reflected by this Agreement. Such insurance shall be written with a limit of at least **ONE MILLION DOLLARS (\$1,000,000.00)** combined single limit for bodily injury and property damage liability, personal injury liability and coverage for all acts and/or omissions of any employees, agents, players, performers, contractors or sub-contractors retained by Licensee. Such insurance shall be endorsed to be primary to and not contributory with any coverage of Licensors, **Global Spectrum LLP, University of Central Florida Athletic Association, Inc., UCF, the Board of Trustees of the University of Central Florida, and the State of Florida**, which may be applicable to the claim. Licensee shall also cause the required policy of insurance to be endorsed to include Licensors, **Global Spectrum LLP, University of Central Florida Athletic Association, Inc., UCF, the Board of Trustees of the University of Central Florida, The UCF Convocation Center Corp and the State of Florida** as additional insureds with respect to the operations and obligations contemplated by this Agreement.

B. Licensee shall also maintain, at its own cost and expense, Workman's Compensation Insurance in respect of its players, performers and other employees whose services are contemplated by this Agreement.

C. **CERTIFICATES EVIDENCING INSURANCE REQUIRED PURSUANT TO THIS SECTION 10 SHALL BE PROVIDED TO LICENSOR NOT LESS THAN TEN (10) DAYS PRIOR TO COMMENCEMENT OF THE TERM.** The policies shall also provide, and the certificate shall so note, that the coverages may not be canceled or that a major change in coverage may not be implemented without at least thirty (30) days' prior written notice given to Licensor.

D. LICENSOR SHALL HAVE THE ABSOLUTE RIGHT TO TERMINATE THIS AGREEMENT UPON WRITTEN NOTICE TO LICENSEE IF LICENSEE DOES NOT DELIVER TO LICENSOR THE CERTIFICATE OR CERTIFICATES OF INSURANCE REQUIRED HEREUNDER. IN THE EVENT OF SUCH TERMINATION BY LICENSOR, THERE SHALL BE NO FURTHER LIABILITY OF ANY KIND OR NATURE WHATSOEVER BY LICENSOR TO LICENSEE, AND LICENSOR SHALL RETAIN THE RIGHT TO PROCEED WITH A LEGAL ACTION AGAINST LICENSEE TO RECOVER ANY AND ALL DAMAGES AND/OR LOSS OF PROFITS SUSTAINED BY LICENSOR BY REASON OF LICENSEE'S DEFAULT HEREUNDER.

E. In the event that Licensee fails to procure and present the aforesaid insurance, Licensor shall have the right, but not the obligation, to do so on Licensee's behalf and at Licensee's expense and shall be entitled to reimbursement for the costs thereof as part of the License Fee due and payable hereunder.

F. None of Licensor or its officers, partners, employees or agents shall be responsible or liable for any loss or damage to the personal property of Licensee or its employees, players, performers or agents in connection with its use of the Arena hereunder.

11. Indemnity.

Licensee hereby agrees to indemnify, defend, save and hold harmless Licensor, Global Spectrum LLP, University of Central Florida Athletic Association, Inc., University of Central Florida, UCF Convocation Center Corp., and the State of Florida, and UCF Properties Corporation and their trustees, directors, officers and employees from and against any and all claims, suits, losses, injuries, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees and expenses and costs of investigation (whether or not litigation occurs) incurred in connection therewith, occasioned with, arising or alleged to arise from, wholly or in part, (i) any breach of this Agreement by Licensee, or (ii) the exercise by Licensee of the privileges herein granted or the provision by Licensor of materials, equipment or services in connection therewith or (iii) the acts or omissions, or violation of any applicable law, rule, regulation or order, of or by Licensee or any of its agents, owners, officers, directors, members, managers, representatives, contractors, exhibitors, employees, servants, players, guests, or invitees, participants or artists appearing in the Event (including support personnel in connection with the presentation of the Event), persons assisting Licensee (whether on a paid or voluntary basis) or any person admitted to the Arena by Licensee, during the Term or any other time while the Arena (or any part thereof) is used by or are under the control of Licensee. The provisions of this Section 11 shall survive any expiration or termination of this Agreement.

12. Ticket Sales.

A. During the Term hereof, all admittance into the Arena shall be by ticket only. The Arena will be general admission, and all registrants will be registered to a designated seating level based upon available seating after all production seating holds (if applicable) have been determined.

B. Licensee has no right by virtue of this license to sell or distribute tickets to the Event, it being understood that Licensor retains the sole right to control the means and manner of sale and distribution of tickets. Licensor shall not permit tickets or passes in excess of the seating capacity of the Arena to be sold or distributed. Licensor agrees that any seat with limited or impaired vision shall not be placed on sale unless written approval is received from Licensee and, if permission is granted, such tickets shall be clearly marked accordingly as "OBSTRUCTED."

C. Licensor shall cause "Ticketmaster" to furnish ticketing services for the Event, and Licensor shall act as the custodian of all revenue from the sale of tickets sold. Such revenues shall not be released to Licensee until settlement, in accordance with Subsection 6C hereof. Payment of all "inside charges" or similar charges imposed by Ticketmaster upon the event promoter or venue shall be the sole responsibility of Licensor.

D. Licensor shall impose a **\$10.00** per vehicle charge for event parking. The collection of such funds shall be the sole revenue of the Licensor. Licensor shall pay all taxes and fees associated with such revenues. Parking fees may be increased at the sole and absolute discretion of the **UCF Arena**. The collection of such funds shall be the sole revenue of the Licensor. Licensor shall pay all taxes and fees associated with such revenues.

E. Licensor shall impose a **\$2.00** University facility surcharge on every purchased ticket, the proceeds of which shall be deducted from the gross proceeds and payable solely to the Licensor.

F. Licensee shall have the right to review the seat allocation for all reporters, critics, reviewers and other working press personnel which have been made by Licensor.

13. Remedies Upon Breach.

In the event any party fails to perform any of its obligations herein, the non-breaching party shall give the breaching party notice in writing of such breach. If the breaching party shall not cure said breach within ten (10) days after receipt of notice if a monetary breach, or within thirty (30) days after receipt of notice if a breach of any other nature, the non-breaching party, at its option, shall have the right to (i) cancel this Agreement by giving five (5) days written notice thereof to the breaching party, (ii) sue the breaching party for legal or equitable relief, and/or (iii) pursue any other remedy allowed hereunder or under applicable law; provided, however, in the event the non-breaching party may suffer irreparable harm as a result of the breaching party's breach, then it shall not be required to give written notice to the breaching party, or to wait any period of time before pursuing any remedies hereunder or under applicable law.

14. Minors; Foreign Nationals.

In the event that any minor or foreign national is scheduled to appear in the Event which is the subject of this Agreement, Licensee shall, in advance of such Event, obtain all necessary Employment Certificates and other permits and authorizations as may be required by any governmental authority.

15. Compliance With Laws.

A. Licensee shall abide by, conform to and comply with, and shall cause every person under its direction or control who is connected with the performance of any aspect of this Agreement to fully abide by, conform to and comply with all applicable laws, rules, regulations and ordinances of the United States of America, the State of Florida, the County of Orange (Orlando, FL), the University of Central Florida and their respective agencies, as well as all rules and regulations of Licensor for the use, occupancy and operation of the Arena. If Licensee is controlling any sale or distribution of tickets, Licensee will comply with all federal, state and municipal laws, statutes, ordinances or regulations relating to the payment of taxes or charges on tickets, admissions or reservations, and make returns and pay all such taxes or charges immediately when due, and indemnify Licensor against all liability, claim, loss or payment of any kind by reason of Licensee's failure or omission to comply with any such law or regulation and/or to pay all or any such taxes or charges.

B. Licensee shall not use or attempt to use any part of the Arena for any use or proposed use which would be contrary to law, common decency or good morals or otherwise improper or detrimental to the reputation of Licensor.

C. Licensee agrees not to discriminate against any employee or any applicant for employment for any reason prohibited by law, and further agrees not to discriminate

against any person relative to admission, services or privileges offered to or enjoyed by the general public for any reason prohibited by law.

16. Restrictions On and Further Obligations of Licensee.

A. Licensee agrees not to do any act or suffer any act to be done during the Term of this Agreement which shall mar, deface or injure any part of the Arena; and upon expiration of the Term, Licensee shall deliver up to Licensor the premises aforesaid in as good condition and repair as the same be found at the beginning of the Term, excepting usual wear and tear.

B. If Licensee brings into the Arena any additional displays, props, decorations, materials or other personal property, it must fully comply with the Fire Code of the State of Florida, *i.e.*, all wiring on booths or display fixtures must meet the rules and standards of the Florida/Orange county Board of Fire Underwriters and Fire Department. Among other precautions, cloth, paper decorations, pine boughs, leaves, tree branches and all other decorations must be flameproofed. Use of combustible material is forbidden.

(1) Licensee understands that approval from the Fire Marshall's Office must be obtained before bringing into the Arena explosives, gasoline, kerosene, acetylene or other fuel or combustibles. Such a permit shall be submitted for review to Licensor upon receipt and prior to the commencement of the Term.

(2) Licensee understands that the fire fighting equipment in the buildings, such as fire extinguishers and fire hose cabinets and exits, shall not be covered or concealed in any manner whatsoever from public view or access.

C. No gasoline motor driven vehicles will be permitted to enter into the building, except at Licensor's discretion.

D. Licensee shall use the Arena in a safe and careful manner.

E. Licensee agrees to furnish Licensor with detailed production and house requirements and/or information for Licensee's use of space(s) no later than four weeks prior to the beginning of the term of this agreement.

F. (1) Licensor and its authorized representatives shall have the right at all times to enter upon and have access to the Arena, including those areas to be used for the event described herein at any time and on any occasion without any restrictions whatsoever.

(2) A duly authorized representative of Licensee shall be in attendance at the Arena when the doors are opened and throughout the Event scheduled hereunder including scheduled move in and move out times. Licensee shall provide all of its representatives and working personnel to be admitted to any part of the Arena with distinctive, visual identification which shall be approved by Licensor prior to the commencement of the Term.

F. In licensing the use of the Arena to Licensee, it is understood that Licensor does not relinquish the right to control the management thereof and to enforce all necessary rules and regulations. The decision of Licensor's representative as to the number of persons that can safely and freely move about in the Arena shall be final. Licensor reserves the right to refuse admission to, eject or cause to be ejected from the premises, any objectionable person, or persons and neither the Licensor nor any of its officers, agents, or employees shall be liable to Licensee for any damages that may be sustained by Licensee through exercise by Licensor of such right

G. All portions of the sidewalks, entries, doors, passages, vestibules, halls, corridors, stairways, passageways and all ways of access to public utilities of the Arena shall be kept unobstructed by Licensee and not used for any other purpose other than ingress or egress.

17. Miscellaneous.

A. This Agreement (including any and all exhibits hereto) reflects the entire agreement between the parties respecting the subject matter hereof and supersedes any and all prior agreements, understandings or commitments, written or oral, between the parties hereto. This Agreement may only be modified or amended by a subsequent written agreement signed by both parties hereto.

B. Notices by Licensor and Licensee to each other shall be deemed duly given if (i) delivered personally with a signed receipt evidencing such delivery, (ii) transmitted by telecopier with confirmation of transmission, (iii) mailed by certified mail, return receipt requested, postage prepaid, or (iv) delivered by duly recognized air courier service to the following addresses:

Company/Licensee:

Licensor: Global Spectrum, L.P.
UCF Arena
University of Central Florida
P.O. Box 161500
Orlando, FL 32816
Attn: Lexie Boone, General Manager
Fax: 407-823-0248

C. This Agreement may be transferred or assigned by Licensee provided the assignee agrees, in writing, to be bound by all of the provisions hereof.

D. The relationship between Licensor and Licensee is that of independent contractors and not agents or employees. Under no circumstances shall this license be considered a contract of partnership or joint venture. Neither party shall be liable for any of the debts, accounts, obligations or other liabilities of the other party, its agents or employees, and neither party shall have any authority to obligate or bind the other party in any manner except as may be expressly provided herein.

E. (1) If any event occurs whereby Licensor's performance hereunder is materially hampered, whether before or during the Term, as a result (wholly or in part) of any cause not entirely within Licensor's control and which it could not by reasonable diligence have avoided, such as destruction or damage to the Arena or unfitness of the Arena for occupancy as a result of fire or other Act of God, riot, labor strike, national or local emergency, calamity or other cause not entirely within Licensor's control (each a "Licensor Force Majeure"), Licensor's performance under this Agreement shall be suspended for the period of the Licensor Force Majeure, and Licensor shall return to Licensee any advance payment made to Licensor for the affected period without any further liability or obligation on the part of Licensor which arises out of such suspension.

(2) If any event occurs whereby Licensee's performance hereunder is materially hampered, whether before or during the Term, as a result (wholly or in part) of any cause not entirely within Licensee's control and which it could not by reasonable diligence have avoided (each a "Licensee Force Majeure"), then, without limiting Licensor's rights as a result of the occurrence of the Licensee Force Majeure, Licensor shall have the option, without liability, to suspend the engagement for the Event for the duration of such Licensee Force Majeure, by giving Licensee written notice thereof.

(3) Upon removal or cessation of the Licensor Force Majeure or Licensee Force Majeure, as applicable, the parties' respective rights and obligations hereunder shall be reinstated for any and all subsequent sessions of the Event remaining in the Term.

F. This Agreement is entered into in the State of Florida and, in the event of any controversy or litigation, shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its principles of conflicts of laws.

G. No waiver shall be effective unless in writing and executed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver in respect of any subsequent breach or default, whether similar or dissimilar nature, unless expressly so stated in writing.

H. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

I. Any headings preceding the text of the several sections, paragraphs or subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.


J. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument.

K. Licensee represents and warrants to Licensor that it has the full right, power and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

Licensor:

**GLOBAL SPECTRUM, L.P.,
FOR**

By: 

Name: Lexie Boone

Title: General Manager

Licensee:

By: 

Name: Mr. Duane Ward, Premiere Marketing, Inc.

Title: _____

UNIVERSITY OF CENTRAL FLORIDA ARENA/GLOBAL SPECTRUM
CONTRACT SUMMARY
ATTACHMENT A

Deposit:

A non-refundable deposit in the amount of **Ten Thousand (\$10,000.00)** Dollars is due and payable to Licensor upon execution of this Agreement.
All funds/deposits must be in the form of a certified check.

Final Estimated Deposit: N/A

**GLOBAL SPECTRUM, L.P.,
FOR**

By: 

Name: Lexie Boone

Title: General Manager

Licensee:

By: 

Name: Mr. Duane Ward, Premiere Marketing, Inc.

Title: _____

ADDENDUM

2010 Sean Hannity Freedom Concert Tour Rider

(To Be Attached To All Venue Agreements)

This Addendum describes additional terms that apply to the main venue rental agreement to which it is attached and wherein it may be referenced. On any applicable item or topic where language occurs both in the Agreement and the Addendum, the language in the Addendum shall apply. Any reference to "the Tour" below refers to the same party to the venue rental agreement otherwise identified as "Promoter", "Licensee", "Lessee", "Renter", "Tenant", etc.

1. FREEDOM STORE

- A. The Tour shall fully staff and operate a special merchandise operation known as the "Freedom Store" wherein various commemorative and novelty items will be sold, proceeds from which will benefit the official Tour charity. Selling will be done by the Tour staff and all sales in this area will be exempt from any concession fee, with one-hundred percent (100%) of the revenues being retained by the Tour.
- B. This Freedom Store is separate and apart from any Artist merchandise sales which will be subject to any venue concession terms as agreed upon between Venue and the Tour.
- C. The Tour shall be responsible for any applicable taxes related to the sales of merchandise therein.
- D. This Freedom Store may include Author signing activity and may require appropriate space for long lines to cue for the book signing. A representative of the Tour will advance these details with the Venue in order to ensure there are no traffic flow problems at the event.

2. TICKETS

- A. **On Sale Date.** The "On Sale" date for the Tour will be on our about Saturday, May 1, 2010.
- B. **Pre Sales period.** As is customary, the Tour will promote its schedule to listeners and viewers of Sean Hannity Radio and Television before the "on sale date." These patrons will have the opportunity to purchase a package that includes, among other items, concert tickets. The Tour will disclose the quantity and level of tickets sold through this pre-"on sale date" activity to the venue. Any tickets pre-sold before the "on sale date" will be exempt from any ticket service fees/charges (e.g. "Ticketmaster"). The Tour understands and agrees that these pre-sale tickets will be subject to any applicable sales taxes and facility fees as agreed upon between the Venue and the Tour.
- C. **Tour Ticket Coordinator.** The Tour has designated Mr. Damon Goude as the Tour Sales Manager. Mr. Goude will work closely with the Venue Box Office representative well in advance of the event to scale the seating, assign seating and handle any seating issues that may arise prior to, and on the day of, the event.
- D. **Comp Tickets.** The Tour anticipates that approximately Six Hundred (600) complimentary tickets will be allocated from the seating manifest in order to satisfy Tour obligations to provide comp tickets to Artists/Program Personnel, Radio Affiliate Partners, Venue & The Tour Charity. These comp tickets will be exempt from any fees.

3. EXHIBITS & DISPLAYS

- A. **Promotional Partner(s).** In each market where the Tour visits, one or more Talk-Radio Affiliates has granted certain exclusive promotional rights to the Tour in their market. Those rights include the following:

1. The ability, subject to any Venue limitations and/or restrictions, to display certain media (signs, banners, posters, etc.) on behalf of their station and/or their sponsors throughout the venue (separate from any presence they may have on stage as part of the production).
 2. The right, as venue space and rules allow, to set up exhibits in the public areas of the venue.
 3. The right to hold a reception in space designated by the Tour, and as available from the venue.
- B. **Financial Responsibility.** Any costs associated with fulfilling the above rights shall be borne exclusively by the Radio Affiliate(s). Likewise, the affiliate is responsible for working directly with appropriate venue personnel to manage all aspects of this activity, including but not limited to, authorizing and paying for all orders for labor, pipe and drape, electricity, special security, rigging, function-specific catering, etc. Once the Tour has cleared specific space that may be used for non-production function, each entity holding such a function shall be the sole responsible party for same.
- C. **Tour Charity.** In like manner, the Tour Charity (Freedom Alliance Foundation, Inc.) shall have the right to occupy and use some function space (to be cleared in advance by the Tour) for their on-site operations. The Charity will also be responsible for all costs associated with their presence.

4. STAGING.

- A. Venue agrees to provide a 60x40 stage (height to be advanced by production) that will support 100 pounds per square foot minimum, black skirting material on front and sides of stage, and two (2) sets of lighted stairs at no cost to the Tour.
- B. A work area will be required beside the stage on each side. This area must be twelve (12) feet wide and forty (40) feet deep, starting at the downstage edge. Venue is asked to advise Tour no less than sixty (60) days before show date if this area will encroach into fire lanes.

5. BIKE RACKS & BARRICADES.

- A. The Tour anticipates that it will utilize anywhere from ten (10) to twenty (20) bike rack barriers in the production area around the stage and enough bike rack to form a perimeter around the entire platform of FOH sound, lighting and fixed camera positions. The Venue is asked to have these on hand and ready to be set during load-in and set up on day of show

6. CREDENTIALS/PASSES & SPECIAL PARKING.

- A. **Tour Passes.** The Tour will solely design and produce passes (aka "tour credentials") that will provide access to the stage, production areas, backstage and any other non-public access areas that the venue makes available to the Tour. The Tour will work with Venue security personnel to identify and explain the Tour credential scheme and hold a security meeting with security personnel on day of show to go over any questions, updates, concerns, etc.
- B. **Non-Production VIP Passes.** The Tour Radio Affiliate(s) and the Tour Charity may design their own access passes that will help them secure access to their respective pre-show functions. These passes will not provide access to any other areas or to the concert.
- C. **Special/VIP Parking.** In the event there is a need for, and an ability to provide special parking areas and/or services (such as "Valet") for "VIP's", whether with the Tour, the Radio Affiliate(s) or the Charity, the Tour will work with the Venue and will approve any accommodations and/or parking pass design and distribution with the Venue.

7. MEDIA

- A. The Tour is CLOSED to all media other than the Talk Radio station(s) referenced above in section 3 A. Unless the Tour provides the Venue with any notice of change, all media inquiries made directly to the venue are to be notified that this is "a closed show." This includes, but is not limited to, any Television, Radio, Print or Internet media as well as photographers or videographers other than those approved by the Tour.

8. **PHOTOGRAPHERS**

- A. **Patron Camera Policy.** The Tour camera policy is as follows: Photo cameras must have a lens of less than 4" long, must be used from the ticket holder's assigned seat and no flash may be used.
- B. **Professional Photographers.** Professional cameras are not allowed and video cameras are not allowed. The only exceptions to this policy are those expressly granted by the Tour.

9. **SUITE FOR TOUR CHARITY**

- A. Where applicable and possible, the Tour requests that the Venue use its best efforts to make one (1) suite available to the Tour Charity so that it may host certain VIP's to watch the concert.

10. **POLICE ESCORT**

- A. A police escort will be required after the show for the Sean Hannity Bus (1) and for the Lynyrd Skynyrd buses (4). The Venue is asked to assist the Tour in securing these escorts. A Tour transportation coordinator will be on site and will make more specific arrangements with the officer(s) handling the escort before the headliner takes the stage.

11. POWER

- A. Venue agrees to notify the Tour no less than sixty (60) days in advance of show if any of the following power requirements are not possible:
1. All power must be located no further than fifty (50') feet from upstage center. Lighting and sound power must be served by different grounds. All metal objects including the stage, scaffolding, towers, mix platforms, etc. that may come into contact with live power even accidentally, must be securely grounded. The venue electrician shall be equipped with proper lugs for connection of all cables and have available spare parts, fuses, extra lugs etc. in the event of accidental overloads or other unforeseen events.
 2. Lighting power shall be Two (2) legs = 1x600amp & 1x400amp three (3) phase, five (5) wire.
 3. Sound power shall be One (1) leg = 1x400amp three (3) phase, five (5) wire.
 4. Motor power shall be One (1) leg = 1x60amp three (3) phase, four (4) wire.
 5. Bus ("Shore") power for eight (8) buses shall be (220) volts, sixty (60) amps, single phase, Four (4) wire.
 6. Use of generators must be approved in advance by the Tour. When generator power is required, two (2) 140KW Television rated, hush power, crystal sync-lock capable generators will be needed. No construction type generators may be used.

12. MEDICAL

- A. Venue will supply the Tour with the name of a doctor with privileges of admission to a nearby hospital who is also available for emergency call during all periods from load-in through load-out.

13. PRODUCTION ADVANCE

- A. Tour Production Manager. The Tour Producer (Mr. Frank Breeden) will secure the services of a Tour Production Manager who will advance all technical aspects of the Tour with the Venue production personnel. The Venue is asked to provide a package of materials that include all venue specifications, diagrams, floor plans, photographs, etc. in an electronic format to be e-mailed to Frank Breeden (frank@frankbreeden.com).