AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
SMITH MEDIA, LLC

[Closing Date]

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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
SMITH MEDIA, LLC

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of Smith Media, LLC is made and entered into as of [Closing Date], by and among Smith Media, LLC, a Delaware limited liability company (the "Company"), Frontyard Management, LLC, a Delaware limited liability company, Boston Ventures Limited Partnership VI, a Delaware limited partnership, Smith Television of New York, Inc., a Delaware corporation, Smith Television of New York License Holdings, LLC, a Delaware limited liability company, Smith Broadcasting of Santa Barbara Limited Partnership, a Delaware limited partnership, SM Investment Holdings of Santa Barbara, LLC, a Delaware limited liability company, Michael Granados, and Ian Guthrie.

RECITALS

Frontyard Management, LLC formed the Company pursuant to a Certificate of Formation, filed with the Secretary of State of the State of Delaware on July 22, 2004, and a limited liability company agreement between Frontyard Management, LLC and the Company, dated August 26, 2004 (the "Original LLC Agreement"), to acquire certain assets and liabilities of the Smith Companies relating to television stations KEYT-TV, KIMO(TV), KATN(TV), KJUD(TV), WKTV(TV), and WFFF-TV.

Pursuant to the Contribution Agreement, the Smith Members and the Withdrawing Smith Companies have contributed those assets to the Company, in exchange for limited liability company units in the Company.

Pursuant to a Securities Purchase Agreement, dated as of August 26, 2004, the Smith Companies that are parties thereto have sold some or all of their limited liability company units in the Company to Frontyard Management, LLC, Boston Ventures Limited Partnership VI, Smith Purchaser, Michael Granados, and Ian Guthrie.

Frontyard Management, LLC, Boston Ventures Limited Partnership VI, Michael Granados, Ian Guthrie, and the Smith Members desire to enter into this Agreement to amend and restate the Original LLC Agreement to provide for (a) the admission of Boston Ventures Limited Partnership VI, Smith Purchaser, Michael Granados, and Ian Guthrie as members of the Company and the withdrawal of the Withdrawing Smith Companies as members of the Company, (b) the recapitalization of the Members' ownership interests in the Company, (c) the organization and management of the Company, (d) the allocation of profits and losses, cash flow, and other proceeds of the Company among the Members, (e) the respective rights, obligations, and interests of the Members to each other and to the Company, and (f) certain other matters.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree that the Original LLC Agreement is amended and restated in its entirety as follows:

Section 1. Definitions.

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account" means, with respect to any Member, the balance in such Member's Capital Account as of the end of the relevant Fiscal Year or portion thereof, after:

(i) crediting to such Capital Account any amounts that such Member is obligated to restore to the Company pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(*c*) or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) debiting from such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), 1.704-1(b)(2)(ii)(*d*)(*5*), and 1.704-1(b)(2)(ii)(*d*)(*6*).

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(*d*) and shall be interpreted consistently therewith.

"Affiliate" means with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first-named Person and, if such first-named Person is a natural person, also includes any member of such first-named Person's immediate family. For purposes of this definition and the definition of "Subsidiary," the term "control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding anything to the contrary contained herein, no Member shall be deemed an Affiliate of any other Member solely as a result of the Members' ownership of Units.

"Agreement" means this Amended and Restated Limited Liability Company Agreement, as it may be amended from time to time.

"Assignee" means a Person that has acquired a beneficial interest in a Membership Interest in accordance with the provisions of Section 8, but has not become a Member in accordance with the provisions of Section 8.3.

"Available Cash" means at any time the amount of cash on hand or in bank accounts of the Company less the amount of adequate cash reserves established by the Board of Representatives in good faith.

"Bank Fees" means any fees (including any commitment fee, agency fee, underwriting fee, or arrangement fee) payable to the administrative agent or any lender under or in connection with any of the Definitive Loan Agreements and any legal fees of counsel to the administrative agent or any lender or other expenses of the administrative agent or any lender under the Definitive Loan Agreements that are required to be reimbursed under or in connection with any of the Definitive Loan Agreements.

"Business Day" means any day (other than a day that is a Saturday or Sunday) on which banks are permitted to be open for business in the State of New York.

"BV" means Boston Ventures Limited Partnership VI, a Delaware limited partnership, or, if Boston Ventures Limited Partnership VI or any successor as "BV" under this definition has ceased to be a Member, a Permitted Transferee of such Person that has acquired a majority of its Membership Interest and has been admitted as a Member in accordance with the provisions of this Agreement.

"Capital Account" means an account to be maintained for each Member in accordance with the Code, which, subject to any contrary requirements of the Code, shall equal (i) the amount of money contributed by such Member to the Company, if any; (ii) the fair market value as determined by the Board of Representatives without regard to Code Section 7701(g) of property, if any, contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company or any other Member is considered to assume under Code Section 752); (iii) allocations to such Member of Net Profit pursuant to Section 5; and (iv) other additions made in accordance with the Code and Treasury Regulations; and decreased by (w) the amount of cash distributed to such Member by the Company; (x) allocations to such Member of Net Loss pursuant to Section 5; (y) the fair market value without regard to Code Section 7701(g) of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or is considered to take under Code Section 752); and (z) other deductions made in accordance with the Code and Treasury Regulations. The Members' respective Capital Accounts shall be determined and maintained at all times in accordance with all the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) or any successor provision.

"Capital Contributions" means, with respect to any Member, the amount of any cash plus the fair market value of any other property (net of liabilities assumed or to which the property is subject) contributed by or for the benefit of such Member to the Company pursuant to the terms of this Agreement and the Contribution Agreement in respect of Membership Interests.

"Class" means, when used with reference to a Unit, the class of Units of which such Unit is a part.

"Class A Investment Amount" means the aggregate of the amounts set forth on Schedule 1.1 for the Class A Members.

"Class A Member" means a Member that holds Class A Units.

"Class A Preferred Return" means (i) that amount of distributions to the Class A Members with respect to their Class A Units sufficient to yield an Internal Rate of Return of seventeen percent per year compounded quarterly on the basis of actual number of days elapsed and a 360-day year, less (ii) the Class A Investment Amount.

"Class B Member" means a Member that holds Class B Units.

"Class C Member" means a Member that holds Class C Units.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any subsequent federal law of similar import, and, to the extent applicable, the Treasury Regulations.

"Company Minimum Gain" means the excess of the Nonrecourse Liabilities of the Company over the adjusted tax basis of property securing such Nonrecourse Liabilities. The amount of Company Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(d).

"Contribution Agreement" means the Contribution Agreement dated as of August 26, 2004, among the Smith Companies, the Company, and Smith Media License Holdings, LLC, as the same may be amended from time to time.

"Definitive Loan Agreements" means (i) the Credit Agreement, dated as of August 26, 2004, among the Company, the several lenders and other parties from time to time parties thereto, and The Bank of New York, as administrative agent, and (ii) all other documents executed in connection with those Credit Agreements, as they may be amended from time to time.

"Depreciation" means, for each Fiscal Year or portion thereof, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be determined in the manner described in Treasury Regulations Section 1.704-1(b)(2)(iv)(*g*)(*3*), or Treasury Regulations Section 1.704-3(d)(2) if an election is made by the Company pursuant to Section 5.6(d) of this Agreement to use the "remedial allocation method" described in Treasury Regulation Section 1.704-3(d).

"Employment Agreement" means, with respect to either of the Class C Members, the employment agreement between such Class C Member and the Company, as it may be amended from time to time in accordance with its terms and Section 6.3.

"Excess Nonrecourse Liabilities" means the Nonrecourse Liabilities remaining after allocating Nonrecourse Liabilities to the Members in respect of (i) the Members' shares of Company Minimum Gain pursuant to Treasury Regulation Section 1.752-3(a)(1) and (ii) the Members' shares of taxable gain that would be allocated to the Members under Section 704(c) of the Code if all of the Company's property that is subject to one or more Nonrecourse Liabilities

were to be disposed of in a taxable transaction in full satisfaction of those liabilities and for no other consideration pursuant to Treasury Regulation Section 1.752-3(a)(2).

"FCC" means the Federal Communications Commission.

"Finally Determined Losses" means, with respect to any Losses (as defined in the Contribution Agreement) that are the subject of an indemnification claim by Smith Media against the Smith Companies under the Contribution Agreement, that (a) the Smith Companies have agreed that Smith Media is entitled to indemnification under the Contribution Agreement for such Losses, or (b) a court of competent jurisdiction has issued a judgment, which has become final and non-appealable, that Smith Media is entitled to indemnification under the Contribution Agreement for such Losses, or (c) if such indemnification claim was required by the Contribution Agreement to be resolved by arbitration, or if the parties agreed to have such indemnification claim resolved by arbitration, the arbitrator or panel of arbitrators, as applicable, have issued a final decision that Smith Media is entitled to indemnification under the Contribution Agreement for such Losses.

"Fiscal Year" means the Company's fiscal year, as specified in Section 2.10.

"Frontyard" means Frontyard Management, LLC, a Delaware limited liability company, or, if Frontyard Management, LLC or any successor as "Frontyard" under this definition has ceased to be a Member, a Permitted Transferee of such Person that has acquired a majority of its Membership Interest and has been admitted as a Member in accordance with the provisions of this Agreement.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Board of Representatives;

(ii) The Gross Asset Values of all assets of the Company shall be adjusted to equal their respective gross fair market values as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (B) the distribution by the Company to a Member of more than a *de minimis* amount of property (including cash) as consideration for an interest in the Company; (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(*g*); and (D) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company; *provided, however*, that the adjustments pursuant to clauses (A), (B), and (D) above shall be made only if and to the extent that the Tax Matters Member determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any asset of the Company distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as determined in good faith by the Board of Representatives; and

(iv) The Gross Asset Value of the assets of the Company shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*); *provided, however,* that Gross Asset Value shall not be adjusted pursuant to this paragraph (iv) to the extent that the Tax Matters Member determines that an adjustment pursuant to paragraph (ii) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (i), (ii), or (iv) of this definition, the Gross Asset Value of such asset shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profit and Net Loss.

"Internal Rate of Return" means the annual discount rate which, when used to calculate the net present value as of the date hereof of all Cash Inflows and Cash Outflows causes such net present value to equal zero. "Cash Inflows" as used herein shall include all payments received by the Class A Members in respect of their Class A Units. "Cash Outflows" as used herein shall include the sum of all payments and investments made by the Class A Members for their Class A Units in the Company, including payments made to the Smith Companies pursuant to the Securities Purchase Agreement to purchase those units that are being recapitalized as Class A Units in accordance with Section 3.3(a). The determination of net present value hereunder may be made using the "IRR" function of Microsoft Excel.

"IRR Hurdle" means that amount of distributions to the Class A Members with respect to their Class A Units sufficient to yield an Internal Rate of Return of twenty percent per year compounded annually on the basis of actual number of days elapsed and a 360-day year on the Class A Investment Amount.

"Lien" means any lien, mortgage, deed of trust, hypothecation, pledge, security interest, or similar third-party right.

"Member" means each of the signatories to this Agreement (other than the Company), in each case for as long as such Person holds a Membership Interest, together with any other Person who (i) is admitted to the Company as a Member in accordance with the terms of this Agreement and (ii) is the holder of any Units.

"Member Nonrecourse Debt" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(4), which generally defines "Member Nonrecourse Debt" as any liability of the Company to the extent such liability is nonrecourse and a Member (or related person) bears the economic risk of loss pursuant to Treasury Regulations Section 1.752-2.

"Member Nonrecourse Debt Minimum Gain" has the meaning set forth in Treasury Regulations Section 1.704-2(i)(2), which generally defines "Member Nonrecourse Debt

Minimum Gain" as the Company Minimum Gain attributable to Member Nonrecourse Debt. The amount of Member Nonrecourse Debt Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Deductions" means losses, deductions, or Code Section 705(a)(2)(B) expenditures attributable to Member Nonrecourse Debt. The amount of Member Nonrecourse Deductions shall be determined pursuant to Treasury Regulations Section 1.704-2(i)(2).

"Membership Interest" means a Person's entire interest in the Company (other than as a creditor or secured party in respect of any loan by such Person to the Company), including, as applicable, such Person's right to share in Net Profit, Net Loss, and distributions as provided herein, such Person's right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members, granted pursuant to this Agreement and the Act, and such Person's rights and obligations pursuant to this Agreement and the Act.

"Net Profit" and "Net Loss" mean, for each Fiscal Year or portion thereof, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profit or Net Loss shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B), or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*i*), and which are not otherwise taken into account in computing such Net Profit or Net Loss, shall be subtracted from such taxable income or loss;

(iii) If the Gross Asset Value of any asset of the Company is adjusted pursuant to paragraph (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profit or Net Loss;

(iv) Gain or loss resulting from any disposition of property by the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or portion thereof;

(vi) Notwithstanding anything to the contrary in the definition of the terms "Net Profit" and "Net Loss," any items that are specially allocated pursuant to Section 5.3 or

Section 5.4 of this Agreement shall not be taken into account in computing Net Profit or Net Loss; and

(vii) For purposes of this Agreement, any deduction for a loss on a sale or exchange of property that is disallowed to the Company under Code Section 267(a)(1) or Code Section 707(b) shall be treated as a Code Section 705(a)(2)(B) expenditure.

"Nonforfeited Class C Percentage" means, with respect to each Class C Member, the product of (i) 8.2% and (ii) the ratio of the number of Class C Units held by such Member which have not been forfeited in accordance with Section 3.1(a)(iii) to the total number of Class C Units issued by the Company.

"Nonrecourse Liability" has the meaning set forth in Regulations Sections 1.704(2)(b) and 1.752-1(a)(2).

"Nonrecourse Deductions" means losses, deductions, or Code Section 705(a)(2)(B) expenditures attributable to Nonrecourse Liabilities of the Company. The amount of Nonrecourse Deductions shall be determined pursuant to Treasury Regulations Section 1.704-2(c).

"Permitted Transferee" means, with respect to any Member, (i) any other Member, (ii) any Affiliate of such Member, (iii) in the case of BV, any partner of BV, (iv) any trust, the beneficiaries of which, or a corporation, limited liability company, or partnership, the stockholders, members, or partners of which, are limited to such Member, Affiliates of such Member, and the spouse, parents, siblings, immediate family members (including adopted children), and/or direct lineal descendants of such Member, and (v) the heirs, executors, administrators, testamentary trustees, legatees, or beneficiaries of such Member.

"Person" means an individual, corporation, limited liability company, association, general partnership, limited partnership, limited liability partnership, joint venture, trust, estate, or other entity or organization.

"Reimbursable Expenses" means, with respect to each of BV and Frontyard, such Person's reasonable expenses related to the consummation of the transactions contemplated by the Transaction Agreements and the other agreements contemplated thereby (including the purchase or sale of securities pursuant to the Securities Purchase Agreement and the contribution of assets pursuant to the Contribution Agreement), including in each case the reasonable fees and expenses of each of their respective legal counsel and independent certified public accountants and financial advisors, but excluding any Bank Fees.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Purchase Agreement" means the Securities Purchase Agreement, dated as of August 26, 2004, among Frontyard, BV, Smith Purchaser, Michael Granados, Ian Guthrie, Smith Television of New York License Holdings, LLC, Smith Television Group, Inc., Smith Television License Holdings, Inc., and Smith Broadcasting of Vermont, LLC.

"Smith" means Smith Television of New York, Inc. or, if Smith Television of New York, Inc. or any successor as "Smith" under this definition has ceased to be a Member, a Permitted Transferee of such Person that has acquired a majority of its Membership Interest and has been admitted as a Member in accordance with the provisions of this Agreement.

"Smith Companies" means the Smith Members (other than Smith Purchaser) and the Withdrawing Smith Companies.

"Smith Member" means any of Smith Television of New York, Inc., Smith Television of New York License Holdings, LLC, a Delaware limited liability company, Smith Broadcasting of Santa Barbara Limited Partnership, a Delaware limited partnership, Smith Purchaser, and any Permitted Transferee of any of them that has acquired any part of their Membership Interests.

"Smith Purchaser" means SM Investment Holdings of Santa Barbara, LLC or, if SM Investment Holdings of Santa Barbara, LLC or any successor as "Smith Purchaser" under this definition has ceased to be a Member, a Permitted Transferee (other than BV) of such Person that has acquired a majority of its Membership Interest and has been admitted as a Member in accordance with the provisions of this Agreement.

"Subsidiary" means any corporation, limited liability company, general partnership, limited partnership, limited liability partnership, or joint venture controlled, directly or indirectly by the Company.

"Transaction Agreements" means this Agreement, the Contribution Agreement, the Securities Purchase Agreement, the Employment Agreements, and the other agreements executed in connection herewith and therewith.

"Treasury Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Unit" means a Preferred Unit, a Class A Unit, a Class B Unit, or a Class C Unit.

"Unit Certificate" means a non-negotiable certificate issued by the Company that evidences the ownership of one or more Units.

"Withdrawing Smith Companies" means Smith Television Group, Inc., a Nevada corporation, Smith Television License Holdings, Inc., a Nevada corporation, and Smith Broadcasting of Vermont, LLC, a Delaware limited liability company.

1.2 Terms Defined in this Agreement. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated:

Term	Section
Additional Securities Agreement	Section 7.6(b) Preamble
Alternate	Section 6.2(d)(i)

Term	Section
Board of Representatives	Section 6.1
Class A Unit	Section 3.1(a)(i)
Class B Unit	Section 3.1(a)(ii)
Class C Unit	Section 3.1(a)(iii)
Company	Preamble
Company Sale	Section 3.1(a)(iii)(B)
Drag-Along Purchaser	Section 8.7(a)
Drag-Along Right	Section 8.7(a)
Exempt Class A Units	Section 8.10(a)
Liquidator	Section 10.2(b)
Material Action	Section 10.4(b)
Offered Interest	Section 8.11(b)(i)
Original LLC Agreement	Recitals
Participating Class B Member	Section 8.6(b)
Preferred Units	Section 7.6(d)
Proposed Debt Allocation	Section 11.5
Regulatory Allocations	Section 5.3(f)
Representatives	Section 6.1
Securities Acts	Section 9.1(a)
Seller	Section 8.11(b)(i)
Seller's Offer	Section 8.11(b)(i)
Selling Class A Member	Section 8.6(a)
Tag-Along Interest	Section 8.6(b)
Tag-Along Notice	Section 8.6(a)
Tag-Along Terms	Section 8.6(a)
Tag Offered Interest	Section 8.6(a)
Target Capital Account	Section 5.1
Tax Matters Member	Section 6.14(a)
Third-Party Offer	Section 8.11(b)(i)
Transfer	Section 8.1(a)
Transfer Notice	Section 7.6(b)

1.3 Terms Generally. The definitions in Section 1.1 and elsewhere in this Agreement shall apply equally to both the singular and plural forms of the terms defined (with the exception of "Securities Act" and "Securities Acts"). Whenever the context requires, any pronoun includes the corresponding masculine, feminine, and neuter forms. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation." Any reference in this Agreement to a "day" or number of "days" (without the explicit qualification of "Business") shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day. Section references used herein are to this Agreement unless expressly provided otherwise.

Section 2. The Company and Its Business.

2.1 Formation. The Company was formed as a limited liability company pursuant to the provisions of the Act and the Original LLC Agreement upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware on July 22, 2004. Effective upon the execution and delivery of this Agreement, BV, Smith Purchaser, Michael Granados, and Ian Guthrie shall be admitted to the Company as Members and each of the Withdrawing Smith Companies shall withdraw as a member of the Company. By executing this Agreement, each of the Withdrawing Smith Companies acknowledges and agrees that it has no further rights under the Original LLC Agreement and has no rights whatsoever under this Agreement by reason of having been a member of the Company, including any rights to any Net Profit, Net Loss, or distributions of the Company. The Members agree to continue the Company pursuant to the terms of this Agreement. Except as provided in this Agreement, all rights, liabilities, and obligations of the Members, both as among themselves and with respect to Persons not parties to this Agreement, shall be as provided in the Act, and this Agreement shall be construed in accordance with the provisions of the Act. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control, except that no Member shall be personally liable for obligations of the Company beyond the liability required in the Act.

2.2 Maintenance of Existence. The Members and the Company shall do, and continue to do, all other things that are required or advisable to maintain the Company as a limited liability company existing pursuant to the laws of the State of Delaware.

2.3 Company Name. The name of the Company shall be "Smith Media, LLC." The business and operations of the Company may be conducted under that name or any other name or names that the Board of Representatives may from time to time select. The Company shall file any assumed name certificates and similar filings, and any amendments thereto, that the Board of Representatives considers appropriate or advisable.

2.4 Term of the Company. The term of the Company commenced on the date of the filing of the Certificate of Formation with the Secretary of State of the State of Delaware and shall continue until the Company is terminated pursuant to Section 10 of this Agreement. This Agreement shall become effective on the date on which the Company and all of the Members named on the signature pages to this Agreement shall have executed and delivered a counterpart hereof.

2.5 Purpose of the Company. The purposes of the Company are (a) to engage in the business of acquiring, developing, owning, designing, constructing, maintaining, operating, managing, and selling television broadcast stations and other businesses related to or ancillary to television broadcast stations, and (b) to carry on any other activity or business that may be lawfully carried on by a limited liability company under the Act.

2.6 Authority of the Company. Subject to the limitation set forth in Section 10.4, the Company shall be empowered and authorized to do all lawful acts and things necessary, appropriate, proper, advisable, incidental to, or convenient for the furtherance and

accomplishment of its purposes. This Agreement requires the consent of the Board of Representatives or certain Members to the taking of certain actions by the Company, and no Subsidiary of the Company may take any such actions without first obtaining the consent required to be obtained by the Company under this Agreement if the Company were taking such actions, including actions pursuant to Section 6.3. Without limiting the foregoing, the Company shall be empowered and authorized, for itself or on behalf of any Subsidiary, to the extent necessary, appropriate, proper, advisable, incidental to, or convenient for the furtherance and accomplishment of its purposes, to:

(a) construct, operate, maintain, improve, expand, buy, own, sell, convey, assign, mortgage, refinance, rent, or lease real and personal property, which shall be held in the name of the Company or a Subsidiary, as applicable;

(b) enter into, perform, and carry out contracts, leases, and agreements of any kind necessary to, in connection with, or incidental to accomplishing the purposes of the Company, including the Transaction Agreements;

(c) operate, maintain, finance, improve, construct, own, grant options with respect to, sell, convey, assign, mortgage, and lease real and personal property;

(d) sell, exchange, or otherwise dispose of all or any part of the property and assets of the Company or of any Subsidiary for property, cash, or on terms, or any combination thereof;

(e) obtain loans, secured and unsecured, for the Company or any Subsidiary and secure the same by mortgaging, assigning for security purposes, pledging, or otherwise hypothecating all or any part of the property and assets of the Company or of any Subsidiary (and in connection therewith to place record title to any such property or assets in the name or names of a nominee or nominees);

(f) prepay in whole or in part, refinance, recast, increase, decrease, modify, amend, restate, or extend any such mortgage, security assignment, pledge, or other security instrument, and in connection therewith to execute and deliver, for and on behalf of the Company or any Subsidiary, any extensions, renewals, or modifications thereof, any new mortgage, security assignment, pledge, or other security instrument in lieu thereof;

(g) draw, make, accept, endorse, sign, and deliver any notes, drafts, or other negotiable instruments or commercial paper;

(h) establish, maintain, and draw upon checking, savings, and other accounts in the name of the Company or any Subsidiary in banks or other financial institutions;

(i) employ, fix the compensation of, oversee, and discharge agents and employees of the Company and of any Subsidiary as it shall deem advisable in the operation and management of the business of the Company, including such accountants, attorneys, consultants, engineers, and appraisers, on such terms and for such compensation, as the Company shall determine;

(j) enter into management agreements with third parties pursuant to which the management, supervision, or control of the business or assets of the Company or any Subsidiary may be delegated to third parties for reasonable compensation;

(k) enter into joint ventures, general or limited partnerships, or other agreements relating to the Company's purposes;

(l) form and own one or more corporations, trusts, or partnerships, including Subsidiaries;

(m) compromise any claim or liability due to the Company or any Subsidiary;

(n) execute, acknowledge, verify, and file any notifications, applications, statements, and other filings necessary or desirable to be filed with any state or federal securities administrator or commission;

(o) execute, acknowledge, verify, and file any and all certificates, documents, and instruments necessary or desirable to permit the Company or any Subsidiary to conduct business in any state in which the Company deems advisable;

(p) bring and defend actions in law and equity;

(q) borrow or raise money and, from time to time, to issue, accept, endorse, and execute promissory notes, loan agreements, options, stock purchase agreements, contracts, documents, checks, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or non-negotiable instruments and evidences of indebtedness and secure the payment thereof and of the interest thereon by mortgage upon or pledge, conveyance, or assignment in trust of, the whole or any part of the property of the Company whether at the time owned or thereafter acquired and guarantee the obligations of others and sell, pledge, or otherwise dispose of such bonds or other obligations of the Company for its purposes; and

(r) maintain an office or offices in such place or places as the Company shall determine and in connection therewith to rent or acquire office space, engage personnel, and do such other acts and things as may be necessary or advisable in connection with the maintenance of such office and, on behalf of and in the name of the Company, pay and incur reasonable expenses and obligations for legal, accounting, investment advisory, consultative, and custodial services and other reasonable expenses, including taxes, travel, insurance, rent, supplies, interest, salaries, and wages of employees, and all other reasonable costs and expenses incident to the operation of the Company.

2.7 Scope of Members' Authority. Except as otherwise expressly and specifically provided in this Agreement, no Member shall have any authority to act for, or assume any obligation or responsibility on behalf of, the Company.

2.8 Principal Office and Other Offices; Registered Agent. The address of the Company's registered office that is required to be maintained by the Company in the State of Delaware pursuant to Section 18-104 of the Act initially shall be located at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, and the

name of the Company's initial registered agent at such address is Corporation Service Company. The principal office of the Company shall be located at 2711 Centerville Road, Suite 300, PMB No. 869, Wilmington, Delaware 19808 or at such other place as the Board of Representatives shall from time to time designate. The Company may maintain any other offices and conduct business at any other places that the Company deems advisable. The Company may, upon compliance with the applicable provisions of the Act, change its principal office or registered agent from time to time in the discretion of the Company.

2.9 Foreign Qualification. The Tax Matters Member shall cause the Company to be authorized to conduct business legally in all appropriate jurisdictions.

2.10 Fiscal Year. The Fiscal Year of the Company shall be the calendar year, except that the first Fiscal Year commenced on the date on which the Company was formed under the Act, and the last Fiscal Year shall end on the date on which the winding up of the Company is completed. The Company shall have the same Fiscal Year for income tax purposes and for financial and accounting purposes.

2.11 Addresses of the Members. The respective addresses of the Members are set forth on Schedule 2.11.

2.12 Tax Classification. The parties hereto intend that the Company be taxable as a partnership for federal, state, local, and foreign income tax purposes. Notwithstanding any other provision of this Agreement, no Member nor any Affiliate of any Member, nor any employee of the Company, may take any action (including the filing of a U.S. Treasury Form 8832 Entity Classification Election) that would cause the Company to be characterized as an entity other than a partnership for federal income tax purposes without the affirmative approval of the Board of Representatives. The Tax Matters Member is hereby authorized and shall take all actions necessary to qualify the Company as a partnership for federal, state, and local income tax purposes.

2.13 Accountants. The Company shall engage as independent auditors for the Company a firm of independent certified public accountants approved by the Board of Representatives.

2.14 Bank Accounts. Funds of the Company shall be deposited in an account or accounts in the Company's name in a bank or banks approved by the Board of Representatives.

Section 3. Company Capital.

3.1 Units; Classes of Members.

(a) Units. The Membership Interests of the Members in the Company shall be represented by Units, as follows:

(i) Class A Units. Each "Class A Unit" shall represent a Membership Interest in the Company with the rights and obligations set forth in this Agreement. Upon the recapitalization described in Section 3.3, an aggregate of 2,600,000 Class A Units shall be issued by the Company.

(ii) Class B Units. Each "Class B Unit" shall represent a Membership Interest in the Company with the rights and obligations set forth in this Agreement. Upon the recapitalization described in Section 3.3, an aggregate of 2,600,000 Class B Units shall be issued by the Company.

(iii) Class C Units. Each "Class C Unit" shall represent a Membership Interest in the Company with the rights and obligations set forth in this Agreement. Concurrently with the execution and delivery of this Agreement, the Company shall issue to Michael Granados and Ian Guthrie the number of Class C Units set forth opposite his name on Schedule 3.3, for a total of 6,000 Class C Units. The Members intend that each Class C Unit qualify as a "profits interest" pursuant to Revenue Procedures 93-27 and 2001-43. The Class C Units held by each Class C Member shall vest as follows:

(A) Except as otherwise provided in this Section 3.1(a)(iii), the Class C Units held by each Class C Member shall vest over a period of sixty months from the date of this Agreement in equal monthly increments, such that 1/60th of the Class C Units held by a Class C Member shall vest on the __th day of each calendar month, commencing [one month less one day after closing]. Subject to Section 3.1(a)(iii)(B), if the employment of a Class C Member under his Employment Agreement is terminated "Without Cause" (as defined in such Member's Employment Agreement as in effect on the date of this Agreement), such Member shall be entitled only to those Class C Units that have vested in accordance with this Section 3.1(a)(iii)(A) as of the date of such event and shall forfeit the unvested Class C Units as of the date of such termination.

(B) If (1) all or substantially all of the equity interests or assets of the Company are sold to a Person that is not an Affiliate of the Company or BV (a "Company Sale"), or (2) the Company or the Members have entered into negotiations with respect to a Company Sale before termination of such Class C Member's employment under his Employment Agreement and such Company Sale is executed within six months after such termination of employment "Without Cause" (as defined in such Member's Employment Agreement as in effect on the date of this Agreement), then, in each case, all unvested Class C Units shall vest immediately prior to such Company Sale.

(C) Notwithstanding Sections 3.1(a)(iii)(A) and 3.1(a)(iii)(B), if the employment of a Class C Member under his Employment Agreement is terminated for "Cause" (as defined in such Member's Employment Agreement as in effect on the date of this Agreement), then both the vested and unvested Class C Units held by such Class C Member shall be forfeited as of the date of such termination.

(b) Classes of Members. Notwithstanding the fact that a Member may hold any combination of Class A Units, Class B Units, and Class C Units, the Members shall constitute a single class of Members for all purposes under the Act and this Agreement, except to the extent this Agreement otherwise specifically provides for different classes or groups of Members of the Company for such purposes.

3.2 Capital Contributions. Pursuant to the Contribution Agreement, the Members or the Smith Companies (as predecessors-in-interest to the Members) have made certain Capital

Contributions to the Company in accordance with the terms of the Contribution Agreement. In exchange for such Capital Contributions, the Company issued to the Smith Companies limited liability company units, which are being recapitalized in accordance with Section 3.3. After giving effect to all such Capital Contributions, the closing under the Securities Purchase Agreement, and the recapitalization described in Section 3.3, the Capital Account balances of the Members are as set forth on Schedule 3.2.

3.3 Recapitalization. Concurrently with the execution and delivery of this Agreement, all limited liability company units issued by the Company prior to the execution and delivery of this Agreement are being recapitalized into Class A Units and Class B Units as specified below.

(a) All limited liability company units held by the Members who are purchasers under the Securities Purchase Agreement following the closing thereunder and immediately prior to the execution and delivery of this Agreement shall henceforth represent 2,600,000 Class A Units, which are allocated among such Members as specified in Schedule 3.3; and

(b) All limited liability company units held by the Smith Members (other than Smith Purchaser) following the closing under the Securities Purchase Agreement and immediately prior to the execution and delivery of this Agreement shall henceforth represent 2,600,000 Class B Units, which are allocated among those Smith Members as specified in Schedule 3.3.

3.4 Additional Capital Contributions. There shall be no further assessments for additional Capital Contributions by the Members to the Company.

3.5 Return of Contributions. No Member shall have the right to demand a return of all or any part of its Capital Contributions during the term of the Company, and any return of the Capital Contributions of any Member shall be only in accordance with the terms of this Agreement.

3.6 Use of Cash Capital Contributions. The proceeds of any cash Capital Contributions pursuant to the Contribution Agreement shall be used by the Company to consummate the transactions contemplated hereby, to pay the Reimbursable Expenses, to satisfy the initial working capital needs of the Company, and for general Company purposes.

3.7 Units and Unit Certificates.

(a) Units. The Units are securities governed by Article 8 of the Uniform Commercial Code. Each Member hereby agrees that its interest in the Company and in its Units shall for all purposes be personal property. A Member has no interest in specific Company property.

(b) Unit Certificates.

(i) Upon the issuance of Units to any Member in accordance with the provisions of this Agreement, the Company shall issue one or more Unit Certificates in the name

of such member. Each such Unit Certificate shall be denominated in terms of the number of Units evidenced by such Unit Certificate and shall be signed by an authorized officer on behalf of the Company.

(ii) The Company shall issue a new Unit Certificate in place of any Unit Certificate previously issued if the holder of the Units represented by such Unit Certificate, as reflected on the books and records of the Company:

(A) makes proof by affidavit, in form and substance reasonably satisfactory to the Company, that such previously issued Unit Certificate has been lost, stolen or destroyed;

(B) requests the issuance of a new Unit Certificate before the Company has notice that such previously issued Unit Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(C) if requested by the Company, delivers to the Company a bond, in form and substance reasonably satisfactory to the Company, with such surety or sureties as the Company may direct, to indemnify the Company against any claim that may be made on account of the alleged loss, destruction, or theft of the previously issued Unit Certificate; and

(D) satisfies any other reasonable requirements imposed by the Company.

(iii) Upon a Member's Transfer in accordance with the provisions of this Agreement of any or all Units represented by a Unit Certificate, the Member or the transferee of such Units shall deliver such Unit Certificate to the Company for cancellation, together, with such other documents, instruments, and certificates as the Company shall reasonably request, and the Company shall thereupon issue a new Unit Certificate to the transferee for the number of Units being Transferred and, if applicable, cause to be issued to such Member a new Unit Certificate for that number of Units that were represented by the canceled Unit Certificate and that are not being Transferred.

Section 4. Cash Distributions.

4.1 Distributions.

(a) Subject to the terms of the Act and any restrictions contained in agreements of the Company with respect to indebtedness for borrowed money, including the Definitive Loan Agreements, the Company shall make cash distributions as set forth in this Section 4.1.

(b) To the extent of the Company's Available Cash, the Company shall make cash distributions described in Section 4.1(c)(i) and Section 4.1(c)(ii) at least quarterly. The Company shall make other cash distributions at such times and in such amounts as the Board of Representatives may determine.

(c) All distributions by the Company shall be made in the following order of priority:

(i) First, to the Class A Members, *pro rata* based upon the number of Class A Units held, until such time as such Members have received cumulative distributions pursuant to this Section 4.1(c)(i) equal to the Class A Preferred Return.

(ii) Second, to the Class A Members, *pro rata* based upon the number of Class A Units held, until such time as such Members have received cumulative distributions pursuant to this Section 4.1(c)(ii) equal to the Class A Investment Amount.

(iii) Third, to the Class B Members, *pro rata* based upon the number of Class B Units held, until such time as the Class B Members have received cumulative distributions pursuant to this Section 4.1(c)(iii) equal to $5,000,000.

(iv) Fourth, until such time as the Class A Members have received cumulative distributions under this Section 4.1(c) with respect to their Class A Units equal to the IRR Hurdle, distributions shall be allocated between clauses (A) and (B) of this Section 4.1(c)(iv), as follows:

(A) to each Class C Member, in an amount equal to the product of (x) the total amount currently being distributed to the Members pursuant to this Section 4.1(c)(iv) multiplied by (y) such Member's Nonforfeited Class C Percentage; and

(B) the remainder of the distributions made pursuant to this Section 4.1(c)(iv) shall be distributed 60% to the Class A Members, *pro rata* based upon the number of Class A Units held, and 40% to the Class B Members, *pro rata* based upon the number of Class B Units held.

(v) Thereafter, all distributions shall be made as follows:

(A) to each Class C Member, in an amount equal to the product of (x) the total amount currently being distributed to the Members pursuant to this Section 4.1(c)(v) multiplied by (y) such Member's Nonforfeited Class C Percentage; and

(B) the remainder of the distributions made pursuant to this Section 4.1(c)(v) shall be distributed 50% to the Class A Members, *pro rata* based upon the number of Class A Units held, and 50% to the Class B Members, *pro rata* based upon the number of Class B Units held.

4.2 Withholding.

(a) The Company shall seek to qualify for and obtain exemptions from any provision of the Code or any provision of state, local, or foreign tax law that would otherwise require the Company to withhold amounts from payments or distributions to the Members. If the Company does not obtain any such exemption, the Company is authorized to withhold from any payment or distribution to any Member any amounts that are required to be withheld pursuant to the Code or any provision of any state, local, or foreign tax law that is binding on the Company.

(b) Any amount withheld with respect to any payment or distribution to any Member shall be credited against the amount of the payment or distribution to which the Member would otherwise be entitled.

4.3 Loans by Members. The Members shall be permitted to make loans to the Company. The amount of such loans shall be treated as a Company indebtedness and not as a Capital Contribution, and shall be repaid on such terms and conditions as shall be determined by the Board of Representatives. Except as specifically provided herein, such loans shall not increase the Membership Interest of the lending Member, entitle it (other than as provided herein) to a greater share of Company distributions pursuant to Section 4 or allocations of Net Profits or subject it (other than as provided herein) to any greater allocations of Net Losses pursuant to Section 5.

4.4 Certain Payments to Class C Members. Amounts paid to the Class C Members for services performed for the Company, including salary and other benefits paid pursuant to the Employment Agreements, shall be treated either as compensation or as "guaranteed payments" under Code Section 707(c) and, accordingly, shall not constitute distributions to the Class C Members for purposes of Section 4.1.

4.5 Right of Offset Indemnification Claims Against Certain Distributions. To the extent provided in Section 12.6.2 of the Contribution Agreement, and subject to the limitations and qualifications set forth therein, the Company may offset against any distributions under Section 4.1 that otherwise would be made to the Smith Members or any of their successors-in-interest the amount of any Finally Determined Losses, but only to the extent that the Smith Companies' liability to the Company for such Finally Determined Losses has not otherwise been satisfied by the Smith Members or the other Smith Companies, including pursuant to Section 8.10. Notwithstanding the foregoing, the Company may not offset the amount of any Finally Determined Losses against any distributions with respect to Exempt Class A Units (as defined in Section 8.10(a)) or any distributions to BV any of its successors-in-interest with respect to any Class A Units purchased pursuant to Section 8.10.

Section 5. Allocations of Profits and Losses.

5.1 Allocations of Net Profit and Net Loss. After making any required allocations pursuant to Section 5.3, the Net Profit and Net Loss of the Company for each Fiscal Year (or portion thereof) shall be allocated among the Members so as to ensure, to the extent possible, that the Capital Account of each Member as of the end of each Fiscal Year equals each such Member's Target Capital Account. For purposes of this Section 5.1, a Member's "Target Capital Account" for a Fiscal Year means an amount equal to (A) the aggregate distributions that each Member would be entitled to receive if all of the assets of the Company were sold for their Gross Asset Values and the proceeds were distributed as of the end of such Fiscal Year in accordance with Section 4.1(c), less (B) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain computed immediately prior to the hypothetical sale of the Company's assets. For purposes of this determination, the Gross Asset Values and Capital Accounts shall be adjusted to reflect fair market values as provided in clause (ii)(C) of the definition of Gross Asset Value.

5.2 Allocation of Gain or Loss on Liquidation. After making any required allocations pursuant to Section 5.3, any remaining items of income (including gross income), gain, loss, or deduction realized for book purposes on the sale of all or substantially all of the assets of the Company or upon the liquidation in kind of the Company shall be allocated to the Members so as to cause the Capital Account balances of each Member to equal, as nearly as possible, the amount of distributions each such Member is entitled to receive pursuant to Section 4.1(c).

5.3 Special Provisions Regarding Allocations of Income and Loss. The following special allocations for purposes of maintaining Capital Accounts shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 5, if there is a net decrease in Company Minimum Gain for any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and if necessary for succeeding Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations made pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items of Company income and gain to be allocated pursuant to this Section 5.3(a) shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6) and Treasury Regulations Section 1.704-2(j)(2). The amount of Company Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(d). This Section 5.3(a) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 5, except Section 5.3(a), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Member that has a share of that Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of such Fiscal Year shall be allocated items of Company income and gain for the Fiscal Year (and, if necessary, for succeeding Fiscal Years) equal to that Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(4)). Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items of Company income and gain to be allocated pursuant to this Section 5.3(b) shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4) and Treasury Regulations Section 1.704-2(j)(2). The amount of Member Nonrecourse Debt Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(3). This Section 5.3(b) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period with respect to any Nonrecourse Liability of the Company existing as of the date hereof, including any Nonrecourse Liabilities assumed by the Company after the date hereof

pursuant to the Contribution Agreement, shall be specially allocated to the Class B Members, *pro rata* based upon the number of Class B Units held. Any other Nonrecourse Deductions shall be specially allocated 50% to the Class A Members, *pro rata* based upon the number of Class A Units held, and 50% to the Class B Members, *pro rata* based upon the number of Class B Units held.

(d) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Member that bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).

(e) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(*d*)(*4*), 1.704-1(b)(2)(ii)(*d*)(*5*), or 1.704-1(b)(2)(ii)(*d*)(*6*) that causes such Member to have a deficit Adjusted Capital Account balance, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit Adjusted Capital Account balance of such Member as quickly as possible; *provided*, *however*, that an allocation pursuant to this Section 5.3(e) shall be made if and only to the extent that such Member would have a deficit Adjusted Capital Account balance after all other allocations provided for in this Section 5 have been tentatively made as if this Section 5.3(e) were not in this Agreement. The allocation contained in this Section 5.3(e) is intended to satisfy the qualified income offset requirement in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(3), and shall be interpreted consistently therewith.

(f) Curative Allocations. The allocations set forth in the foregoing provisions of this Section 5.3 (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.3. Therefore, notwithstanding any other provision of this Section 5 (other than the Regulatory Allocations), the Company shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner the Tax Matters Member determines is appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not in this Agreement. In exercising its discretion under this Section 5.3(f), the Tax Matters Member shall take into account future Regulatory Allocations under Sections 5.3(a) and 5.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 5.3(c) and 5.3(d).

5.4 Section 754 Adjustments. To the extent any adjustment to the adjusted tax basis of any asset of the Company pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*) to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the

manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

5.5 Allocation of Excess Nonrecourse Liabilities. Any Excess Nonrecourse Liabilities for any Fiscal Year or other period with respect to any Nonrecourse Liability of the Company existing as of the date of this Agreement including any Nonrecourse Liabilities assumed by the Company pursuant to the Contribution Agreement shall be allocated to the Class B Members, *pro rata* based upon the number of Class B Units held.

5.6 Allocations for Tax Purposes. The following provisions shall apply:

(a) Except as otherwise provided herein, for federal income tax purposes, (i) each item of income, gain, loss, and deduction shall be allocated among the Members in the same manner as its correlative item of "book" income, gain, loss, or deduction is allocated pursuant to Sections 5.1, 5.2, 5.3, and 5.4 and (ii) each tax credit shall be allocated to the Members in the same manner as the receipt or expenditure giving rise to such credit is allocated pursuant to Sections 5.1, 5.2, 5.3, and 5.4.

(b) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

(c) If the Gross Asset Value of any asset of the Company is adjusted pursuant to paragraph (iii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

(d) Any elections or other decisions relating to allocations described in Section 5.6(b) and Section 5.6(c) shall be made by the Tax Matters Member in any manner that reasonably reflects the purpose and intention of this Agreement; *provided, however,* the Tax Matters Member shall elect to use the "traditional method" set forth in Treasury Regulations Section 1.704-3(b) with respect to any assets contributed to the Company pursuant to the Contribution Agreement. Allocations pursuant to Section 5.6(b) and Section 5.6(c) are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profit, Net Loss, other items, or distributions pursuant to any provision of this Agreement.

5.7 Allocations Following a Transfer of Membership Interest. If a Membership Interest is transferred in accordance with Section 8 of this Agreement, Net Profit and Net Loss shall be allocated between the periods before and after the transfer by closing the Company books as of the end of the month preceding the transfer or by any other permissible method under Code Section 706 selected by the transferor and transferee and acceptable to the Board of Representatives. As of the date of such transfer, the transferee shall succeed to the Capital Account of the transferor with respect to the transferred Membership Interest.

Section 6. Rights and Duties of Representatives, Members, and Officers.

6.1 Management. Subject to the limitation set forth in Section 10.4 and except as otherwise provided in this Agreement, the business, affairs, and properties of the Company and its Subsidiaries shall be managed by the Members, acting through a board of representatives (the "Board of Representatives"), which shall consist of individual representatives appointed by certain of the Members as set forth in Section 6.2 and referred to herein as the "Representatives." Except as may be expressly provided in a subsequent resolution of the Board of Representatives or where inconsistent with the express terms of the Original LLC Agreement, this Agreement, or any of the other Transaction Documents, all resolutions adopted and other actions taken prior to the execution and delivery of this Agreement by the Board of Representatives as constituted under the Original LLC Agreement, including the authorization of the Definitive Loan Agreements and the Transaction Agreements and the appointment of officers, shall remain in full force and effect following the execution and delivery of this Agreement without modification, revocation, or rescission. Any resolutions adopted by the Board of Representatives as constituted under the Original LLC Agreement, whether at a meeting or by written consent, shall be filed with the minutes of the proceedings of the Board of Representatives.

6.2 Appointment, Tenure, and Voting of the Board of Representatives.

(a) Appointment.

(i) The Board of Representatives shall be composed of nine Representatives, to be designated as follows: five Representatives shall be designated by Frontyard and four Representative shall be designated by Smith. The Chairman of the Board of Representatives shall be appointed by Smith, subject to the approval of Frontyard, which approval shall not be unreasonably withheld, conditioned, or delayed. The Chairman of the Board of Representatives shall have such powers and duties as the Board of Representatives shall from time to time determine. Notwithstanding the foregoing, the Board of Representatives may determine to increase the number of Representatives serving on the Board of Representatives, including in connection with the issuance of new Membership Interests effected in accordance with Section 7.6. Barry Baker, Roy F. Coppedge III, Andrew C. Davis, Michael Granados, and Ian Guthrie shall serve as the initial Representatives designated by Frontyard, and Leslie J. Goldman, Anne Smith, Michael Smith, and Jennifer Smith shall serve as the initial Representatives designated by Smith. The initial Chairman of the Board of Representatives shall be Leslie J. Goldman.

(ii) A Member shall nominate its designated Representatives by providing written notice to the Company and the other Members of the names of its designated Representatives.

(b) Tenure, Qualification, Vacancy. Each Representative shall hold office until his or her death, disability, resignation, or removal by the Member that designated such Representative. Representatives need not be residents of the State of Delaware. Any vacancy in the position of Representative shall be filled by a Representative designated by the Member entitled to designate such Representative.

(c) Voting and Quorum. The Representatives for each of the following Members, together shall be entitled to cast the aggregate number of votes on any action to be voted upon by the Board of Representatives set forth opposite such Member's name below, regardless of the actual number of Representatives designated by such Member at such time:

Representatives Designated By	Aggregate Number of Votes
Frontyard	5
Smith	4

Except as otherwise expressly required by this Agreement, all actions of the Board of Representatives shall require the affirmative approval of a majority of the votes entitled to be cast on such action at a meeting at which a quorum of Representatives is present and at which such action is taken. The presence at any meeting of the Board of Representatives of either (a) at least one Representative designated by each of Smith and Frontyard or (b) at any meeting for which notice was provided in accordance with Section 6.7(d), one Representative designated by Frontyard shall constitute a quorum for the transaction of business. The transaction of any business at any meeting of the Board of Representatives shall require a quorum.

(d) Alternates and Proxies.

(i) Pursuant to a written notice to the Company, any Representative may appoint an alternate (an "Alternate") who may attend, participate, and serve as a proxy for the absent Representative which appointed such Alternate at any Board of Representatives meeting or for a stated period of time. Alternates shall exercise the same voting rights as the absent Representative could have exercised.

(ii) Any Representatives designated by a Member shall automatically and without written notice serve as a proxy for the other Representatives designated by such Member if the other Representatives of such Member are not present at any Board of Representatives meeting. By way of example, a single Representative designated by a Member shall have the maximum number of votes that could be cast by all Representatives designated by such Member when serving as a proxy for the other Representatives designated by such Member.

(e) Board of Representatives Observer. BV shall have the right to receive prior notice of all meetings of the Board of Representatives and have an observer present at all meetings of the Board of Representatives. Such observer shall not have the right to vote on any matter that comes before the Board of Representatives. BV's observer shall receive copies of all materials provided to the Board of Representatives.

6.3 Specific Matters Requiring Special Approval.

(a) Notwithstanding anything to the contrary contained herein, approval of the Board of Representatives shall be required for the Company to undertake any of the following:

(i) The sale, liquidation, transfer, or other disposition of any assets of the Company with a fair market value in excess of $100,000;

(ii) The issuance or sale by the Company of additional Units, or the sale, repurchase (other than in accordance with the terms thereof to the extent approved in accordance with this Agreement), or redemption (other than in accordance with the terms thereof to the extent approved in accordance with this Agreement) of outstanding Units;

(iii) The merger or consolidation of the Company or its Subsidiaries, whether or not the Company is the surviving entity (except for mergers of direct or indirect wholly owned Subsidiaries of the Company with one another or with the Company), including mergers and consolidations for the purpose of converting the Company into a corporation in accordance with Section 12.2;

(iv) The acquisition of or investment in another Person, and the acquisition of all or any substantial portion of the assets of any Person, or acquisitions of or leases of properties, other than acquisitions, investments, or leases in the ordinary course of business;

(v) The purchase by the Company of assets with a fair market value in excess of $200,000;

(vi) Any financings or refinancings or other matters affecting the Company's capital structure;

(vii) The incorporation of the Company or any of its Subsidiaries or the conversion of the Company or any of its Subsidiaries into a corporation;

(viii) The adoption and approval of the Company's annual budget, including any amendment to any annual budget previously approved by the Board of Representatives;

(ix) The hiring or appointment of the general manager of any broadcast station, or any senior executive officer of the Company or any of its Subsidiaries (including the officer responsible for the day-to-day financial affairs of the Company or any of its Subsidiaries) including the terms of employment of any such Person, or entering into, amending, or modifying any employment agreements with such Persons, or the Company's or any of its Subsidiaries' entry into, any amendment or modification of the terms of any of the employment agreements with such Persons;

(x) The borrowing of money by the Company or any of its Subsidiaries, or the granting of a security interest in assets of the Company or any of its Subsidiaries, or the issuance of any guaranty, to secure indebtedness or other obligations of the Company, any of its Subsidiaries, or other Persons;

(xi) The creation of any Subsidiary of the Company or the entry by the Company or any of its Subsidiaries into any joint ventures, general or limited partnerships, or other material agreements;

(xii) The admission of any new Member (other than a Permitted Transferee of a Member that acquires a Membership Interest from such Member) or any issuance of new Membership Interests;

(xiii) Any transaction, agreement, or contract between the Company and a Member (or an Affiliate of a Member); *provided*, *however*, that this provision shall not apply to any Transaction Agreement or the transactions contemplated thereby;

(xiv) Any decisions regarding the composition of the Company's officers and the compensation and incentive plans of such officers, subject to Section 6.10;

(xv) The appointment or removal of the Company's auditors, financial advisors, and legal counsel;

(xvi) Any fundamental change in the Company's purpose as set forth in Section 2.5 or any acquisition or management of television stations other than the stations to be contributed to the Company pursuant to the Contribution Agreement;

(xvii) Any capital expenditure that exceeds $200,000;

(xviii) The adoption and approval of a unit appreciation plan for the Company, the designation of employees that are eligible for participation thereunder, and the issuance by the Company of phantom equity rights to employees of broadcast stations having a value upon exercise not greater than 5% of the outstanding equity (after the repayment of all debt and a return of each Member's Capital Contributions) of each broadcast station;

(xix) The modification of the Company's long-term business strategy or scope;

(xx) Any decisions regarding material litigation; and

(xxi) Any transaction, agreement, or contract between the Company and another Person that would require payments by the Company in excess of $200,000 over the term thereof.

(b) Notwithstanding anything to the contrary contained herein, in addition to any approval that may otherwise be required pursuant to this Agreement or the Act, the affirmative approval of holders of a majority of the outstanding Class B Units shall be required for the Company to undertake any of the following:

(i) any transaction, including any sale, purchase, lease, or loan or any other direct or indirect payment, between the Company and Frontyard, BV, or any Affiliate of Frontyard or BV, unless (A) such transaction is on terms no less favorable to the Company than those that could be obtained in a comparable arm's-length transaction with an independent third party, and (B) if such transaction involves aggregate consideration in excess of $500,000, the Company obtains and delivers to each Member a written opinion from a nationally recognized investment banking firm stating that the terms of such transaction satisfy the condition in clause (A); *provided, however,* that this Section 6.3(b)(i) shall not apply to (1) any issuance and sale of

Units pursuant to this Agreement, including Section 7.6, (2) any of the Transaction Agreements or the transactions contemplated thereby, or (3) any amendment to either or both of the Employment Agreements;

(ii) any sale or other disposition of all or substantially all the assets of the Company that occurs prior to February 1, 2006, or pursuant to an agreement entered into prior to February 1, 2006, unless (A) the amount of the proceeds from such sale or other disposition, plus the amount of the proceeds from any prior sale or other disposition of assets of the Company, that are available for distribution or have previously been distributed to holders of Class A Units would be at least $50 million, or (B) such sale or other disposition is pursuant to, or in lieu of, foreclosure by the lenders under the Definitive Loan Agreements;

(iii) the incorporation of the Company or the conversion of the Company into a corporation, other than in accordance with Section 12.2;

(iv) any dissolution of the Company or any distribution of the Company in complete liquidation of the Company, except in accordance with Section 10;

(v) any amendment to this Agreement, except in accordance with Section 13;

(vi) any amendment to the Certificate of Formation that changes the rights, preferences, or privileges of the Class B Units so as to materially and adversely affect the holders thereof;

(vii) any change to the Company's name; and

(viii) any payment of salaries or other compensation to Michael Granados and Ian Guthrie in excess of the amounts permitted to be paid to them under the Definitive Loan Agreements as then in effect.

6.4 Resignation. Any Representative may resign at any time by giving written notice to the Company and the Member which designated such Representative, and such Representative shall immediately give written notice to the other Representatives. The resignation of any Representative shall take effect upon receipt of such notice by the Company and the Member which designated such Representative or at such later time as shall be specified in the notice, and, unless otherwise specified in such notice, the acceptance of the resignation by the Company, the Members or the remaining Representatives shall not be necessary to make it effective.

6.5 Removal. A Member shall at any time be entitled to remove and replace any Representative designated by such Member.

6.6 Vacancies. Upon the death, disability, resignation, or removal of a Representative, the Member that designated such Representative shall designate a replacement Representative to fill the vacancy. A Representative elected to fill a vacancy shall hold office until such Representative's death, disability, resignation, or removal.

6.7 Meetings.

(a) The Board of Representatives may hold any of its meetings at such place or places within or without the State of Delaware as the Board of Representatives may from time to time by resolution designate or as shall be designated by the Person or Persons calling the meeting or in the notice or waiver of notice of any such meeting. Representatives or their Alternates may participate in any regular or special meeting of the Board of Representatives by means of conference telephone or similar communications equipment pursuant to which all Persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

(b) Regular meetings of the Board of Representatives may be held at such times as the Representatives shall from time to time by resolution determine, but no less frequently than three times per year. Upon establishing the date, time, and place for regular meetings, the Board of Representatives shall direct the Chairman of the Board of Representatives or another Representative to give notice of such meetings in accordance with Section 6.7(d). If any date fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the succeeding Business Day not a legal holiday.

(c) Special meetings of the Board of Representatives shall be held whenever called by Representatives holding a majority of the votes of the entire Board of Representatives, subject to the notice requirements of Section 6.7(d). Upon establishing the date, time, and place for a special meeting, the Representatives calling the special meeting shall direct the Chairman of the Board of Representatives or another Representative to give notice of such meeting in accordance with Section 6.7(d).

(d) Notice of the date, time, and place of each such regular or special meeting shall be (i) mailed to each Representative and to BV's observer pursuant to Section 6.2(e) at least ten Business Days before the day on which the meeting is to be held, or (ii) sent by telecopy or overnight courier or delivered personally to each Representative and to BV's observer pursuant to Section 6.2(e) not less than (A) if the Board of Representatives is to consider any action proposed to be taken by the Tax Matters Partner pursuant to Section 6.14(c)(iv), five Business Days before the day on which the meeting is to be held, or (B) in all other cases, one Business Day before the day on which the meeting is to be held. Any notice of the time and place of a meeting of the Board of Representatives pursuant to this Section 6.7(d) shall be addressed to each Representative and to BV's observer at his or her residence or usual place of business.

6.8 Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Representatives may be taken without a meeting if a written consent thereto is signed by at least one Representative designated by Smith and at least one Representative designated by Frontyard. Any such action by written consent shall be filed with the minutes of the proceedings of the Board of Representatives, and copies thereof shall be provided promptly to BV's observer and any Representatives that did not sign such written consent.

6.9 Compensation. The Representatives shall not receive salaries or other compensation from the Company for serving in their capacities as Representatives.

6.10 Officers. The Company shall have such officers as the Board of Representatives shall from time to time determine and appoint. Officers shall have such powers and duties as may be specified by, or in accordance with, resolutions adopted by the Board of Representatives and each shall serve until his or her successor is duly appointed, or until his or her earlier death, resignation, or removal. Notwithstanding anything to the contrary contained herein, no officer of the Company shall have any power or authority outside the normal day-to-day business of the Company to bind the Company by any contract or engagement or to pledge its credit or to render it liable in connection with any transaction unless expressly so authorized by the Board of Representatives.

6.11 Limitation of Liability of Members and Representatives. The debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company; and no Member or Representative shall be obligated personally for any debt, obligation, or liability of the Company solely by reason of being a Member or Representative, except as otherwise required by law.

6.12 Representative Standard of Care; Liability to Members. The parties acknowledge that the Representatives are designees of the Members that appoint them, are acting as proxies for such Members with respect to the management of the Company, and do not have any fiduciary obligations or other duties to any other Member, other than as expressly provided in this Agreement. No Representative shall, in any way, be deemed to guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company, and no Representative shall be liable to the Company or to any Member, or to any successor, assignee, or transferee of the Company or of any Member, for any losses, claims, damages, or liabilities sustained by the Company or any Member. It is expressly acknowledged and agreed that each Representative shall act in the interests of the Member by which he or she was appointed in considering matters that may come before the Board of Representatives.

6.13 Exculpation and Indemnity of Members, Representatives, Officers, Employees, and Other Agents.

(a) No Member or Affiliate of a Member shall be liable, responsible, or accountable in damages or otherwise to the Company or to any other Member, or to any successor, assignee, or transferee of the Company or of any other Member, for any losses, claims, damages, or liabilities arising from (i) any act performed, or any omission to perform any act, within the scope of the authority conferred on such Member under this Agreement, except by reason of acts or omissions in violation of the express terms of this Agreement; or (ii) the acts or omissions of any Person other than such Member. No Member has any fiduciary obligation or other duties to the Company or any other Member.

(b) The Company shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless any Person who was or is a party to, or is threatened to be made a party to, a threatened, pending, or completed action, suit, or proceeding, whether or not by or in the right of the Company, whether civil, criminal, administrative, investigative, or otherwise, by

reason of the fact that such Person is or was a Member, Representative, officer, employee, agent, or fiduciary of the Company, or is or was serving at the request of the Company as a manager, director, officer, employee, agent, or fiduciary of another corporation, partnership, limited liability company, joint venture, trust, or other enterprise, from and against any and all claims, liabilities, losses, damages, costs, or expenses (including attorneys' fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such Person in connection with such action, suit, or proceeding; *provided*, *however*, that such indemnified Person (i) acted in good faith and in a manner it reasonably believed to be in the best interest of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful and (ii) that such indemnified Person's conduct did not constitute fraud, gross negligence, willful misconduct, or a breach of this Agreement. The Company may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any such Person against any liability that may be asserted against such Person. Any expenses covered by the foregoing indemnification shall be paid by the Company in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Person seeking indemnification to repay such amounts if it is ultimately determined that such Person is not entitled to be indemnified. The indemnification provided herein shall not be deemed to limit the right of the Company to indemnify any other Person for any such expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any Person seeking indemnification from the Company may be entitled under any agreement, vote of disinterested Representatives or otherwise, both as to action in such Person's official capacity and as to action in another capacity while serving as a Member, Representative, officer, employee, agent, or fiduciary.

6.14 Tax Matters Member.

(a) Frontyard shall be the Company's "tax matters partner," as provided in the Treasury Regulations under Code Section 6231 (the "Tax Matters Member"), unless and until removed and replaced by the Members and as such, shall perform the duties as are required or appropriate thereunder. Each Member by its execution of this Agreement consents to the designation of the Tax Matters Member and agrees to execute, certify, acknowledge, deliver, swear to, file, and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent.

(b) Subject to Section 6.14(c), the Tax Matters Member shall have all the powers and duties assigned to the "tax matters partner" under Code Sections 6221 through 6232 and the Treasury Regulations thereunder, and shall have the authority to act, elect, report, and exercise its discretion with respect to all federal, state, and local tax matters relating to the Company.

(c) Notwithstanding Section 6.14(b),

(i) the Tax Matters Member is not authorized to take any action that is left to the determination of an individual Member under Code Sections 6222 through 6231;

(ii) the Tax Matters Member may not finally settle or otherwise dispose of any audit or administrative or judicial proceeding relating to tax items of the

Company that would bind any Class B Member without the approval of such Class B Member, which approval shall not be unreasonably withheld or delayed;

(iii) the Class B Members shall have the right to participate in any audit or administrative or judicial proceeding relating to the Company; and

(iv) the Tax Matters Member shall not take any of the following actions without the approval of the Board of Representatives:

(A) agree to extend any statute of limitations with respect to the Company under Code Section 6229;

(B) file a request for administrative adjustment (including a request for substituted return treatment) under Code Section 6227;

(C) file a petition for judicial review, or any appeal with respect to any judicial determination, under Code Section 6226 or Code Section 6228;

(D) consent to be bound by a settlement reflected in a decision of a court; or

(E) enter into any tax settlement agreement affecting the Company.

(d) The Tax Matters Member shall, at the expense, and on behalf, of the Company, cause to be prepared and filed all tax returns (including amended returns) required to be filed by the Company pursuant to Section 11.4.

(e) The Tax Matters Member shall promptly furnish the Secretary of the Treasury, or his delegate, the name and address of each Member and any other required information and shall arrange for and cause to be taken such actions as may be necessary to cause each other Member to become a "Notice Member" within the meaning of Code Section 6223(a) and shall provide similar information to any foreign or state tax authority if and to the extent required or permitted so as to provide similar benefits to the other Members under any provision of foreign or state law or with respect to the administrative practice of any such tax authority. The Tax Matters Member shall arrange for and cause to be delivered to each other Member notice of all significant matters that may come to its attention in its capacity as Tax Matters Member by giving notice thereof within ten Business Days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity.

(f) The Tax Matters Member shall be entitled to be reimbursed by the Company for all costs and expenses incurred by it in connection with any administrative or judicial proceeding affecting tax matters of the Company and the Members in their capacity as such and to be indemnified by the Company (solely out of Company assets) with respect to any action brought against it in connection with any judgment in or settlement of any such proceeding.

(g) Any Member who enters into a settlement agreement with respect to any Company item shall notify the Tax Matters Member of such settlement agreement and its terms within ten days after the date of settlement.

Section 7. Status of Members.

7.1 No Management and Control. Except as expressly provided in this Agreement, including Section 6.1 and Section 6.3, no Member shall take part in or interfere in any manner with the control, conduct, or operation of the Company or have any right or authority to act for or bind the Company or to vote on matters relating to the Company.

7.2 Limited Liability. To the fullest extent permitted by applicable law, no Member shall be bound by, or personally liable for, the expenses, liabilities, or obligations of the Company. In no event shall any Member be required to make up a deficiency in its Capital Account upon the dissolution and termination of the Company.

7.3 Return of Distributions of Capital. A Member may, under certain circumstances, be required by law to return to the Company, for the benefit of the Company's creditors, amounts previously distributed. To the fullest extent permitted by applicable law, no Member shall be obligated by this Agreement to pay those distributions to or for the account of the Company or any creditor of the Company. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, a Member must return or pay over any part of those distributions, the obligation shall be that of such Member alone and not of any other Member.

7.4 Specific Limitations. No Member shall have the right or power to (a) resign as a Member (except in the case of a Transfer of all of a Member's Membership Interest that is permitted by this Agreement, where the Assignee of such Member's Membership Interest has been admitted as a substitute Member in accordance with Section 8.3), or (b) demand or receive property other than cash in return for its Capital Contributions. Except as otherwise set forth in this Agreement or in any agreement permitted to be entered into under this Agreement with respect to the purchase, redemption, retirement, or other acquisition of Membership Interests, no Member shall have priority over any other Member either as to the return of its Capital Contributions or as to Net Profit, Net Loss, or distributions. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the Capital Contributions of any Member shall be returned.

7.5 Corporate Opportunity. Subject to Section 11.6, to the fullest extent permitted by applicable law, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply with respect to any Member, any Affiliate of any Member, or any Representative, and none of such Persons shall have any obligation under this Agreement to refrain from (i) engaging in similar activities or lines of business as the Company or its Subsidiaries or developing or marketing any products or services that compete, directly or indirectly, with those of the Company or any of its Subsidiaries, (ii) investing or owning any interest publicly or privately in, or developing a business relationship with, any Person engaged in similar activities or lines of business as, or otherwise in competition with, the Company or any of its Subsidiaries, (iii) doing business with any client or customer of the Company or any of its Subsidiaries, or

(iv) employing or otherwise engaging a former officer or employee of the Company or any of its Subsidiaries; and neither the Company, any Member (or any Affiliate of such Member) nor any Representative shall have any right by virtue of this Agreement in or to, or to be offered any opportunity to participate or invest in, any venture engaged or to be engaged in by any other Member, Affiliate of any other Member or any other Representative or any right by virtue of this Agreement in or to any income or profits derived therefrom. This Section 7.5 shall not limit the obligations of a Member under any other agreement between such Member and the Company.

7.6 Issuance of Membership Interests.

(a) Subject to Section 6.3(a)(xii) and Section 7.6(b) and subject to any prior consent of the FCC under rules and policies then in effect, the Company may issue additional Membership Interests to any Person and may admit to the Company as additional Members the Persons acquiring such Membership Interests upon the execution by such Persons of an appropriate joinder to this Agreement. The Members or the Board of Representatives shall amend this Agreement in accordance with Section 13.1(a) or Section 13.1(b) as necessary to reflect the issuance of such additional Membership Interests and the admission of such additional Members. The Persons acquiring such Membership Interests shall make such Capital Contributions as may be determined by the Board of Representatives and shall otherwise have the rights and be subject to the obligations attributable to such Membership Interests pursuant to this Agreement. A Person admitted as a new Member shall only be entitled to distributions and allocations of Net Profit and Net Loss attributable to the period beginning on the effective date of its admission to the Company, and the Company shall attribute Net Profit and Net Loss to the period before the effective date of the admission of a new Member and to the period beginning on the effective date of the admission of a new Member by the closing of the books method.

(b) Except as provided in Section 7.6(c), before selling or issuing any Membership Interests or equity interests in the Company or any of its Subsidiaries, or bonds, certificates of indebtedness, or other securities convertible into or exchangeable for Membership Interests or equity interests in the Company or any of its Subsidiaries, or options, warrants, or rights carrying any rights to purchase Membership Interests or equity interests in the Company or any of its Subsidiaries ("Additional Securities"), the Company shall deliver to Smith Purchaser a written notice identifying the name and address of the prospective purchaser, the amount of and price for the Additional Securities proposed to be issued, and all other terms of such issuance (the "Transfer Notice"). Smith Purchaser (or any assignee that is a Permitted Transferee of Smith Purchaser) shall have the prior right to purchase ten percent of such Additional Securities on the terms described in such written notice. Smith Purchaser (or any assignee that is a Permitted Transferee of Smith Purchaser) shall elect to purchase such securities by giving written notice to the Company within fifteen days after Smith Purchaser receives such written notice from the Company. The closing shall occur on the later of (i) the fifth Business Day after Smith Purchaser elects to purchase such securities and (ii) the date on which the Additional Securities are issued by the Company.

(c) The provisions of Section 7.6(b) will not apply to:

(i) the issuance of Additional Securities to employees, officers, consultants, or advisors of the Company or any Subsidiary pursuant to employee benefit plans and arrangements approved by the Board of Representatives;

(ii) the issuance of Additional Securities as consideration for the acquisition (including by way of merger or consolidation) by the Company or any Subsidiary of equity interests or assets other than cash, marketable securities, or financial instruments;

(iii) the issuance of warrants or other similar securities to any lender as additional consideration in connection with any financing by the Company or any Subsidiary;

(iv) the issuance of Additional Securities in connection with any proportionate stock split, stock dividend or distribution, recapitalization, or similar event;

(v) the issuance of Additional Securities to effectuate the incorporation of the Company or other conversion of the Company to corporate form in accordance with Section 12.2;

(vi) the issuance of Additional Securities to BV pursuant to Section 7.6(d); or

(vii) the issuance of Additional Securities upon the exercise or conversion of warrants, options, convertible debt, or other similar instruments issued in compliance with Section 7.6(b) or pursuant to an exception in this Section 7.6(c).

(d) If at any time BV or any Affiliate of BV makes any Capital Contribution or other payment to or on behalf of the Company pursuant to the Equity Subscription Agreement, dated as of the date hereof, among the Company, The Bank of New York, and Boston Ventures Limited Partnership VI, the Company shall issue to BV or its Affiliate, as consideration therefor, limited liability company units (the "Preferred Units") that entitle the holders thereof to distributions in priority to all distributions with respect to the Class A Units, Class B Units, and Class C Units, until the Company has made distributions with respect to such Preferred Units equal to the greater of (i) twice the amount of such payment or Capital Contribution, as the case may be, or (ii) distributions sufficient to yield an internal rate of return on such payment or Capital Contribution, as the case may be, of twenty percent per year compounded annually on the basis of actual number of days elapsed and a 360-day year, calculated in a manner consistent with the definition of Internal Rate of Return.

(e) If the Company issues Preferred Units to BV or its Affiliate pursuant to Section 7.6(d), then Smith Purchaser (or any assignee that is a Permitted Transferee of Smith Purchaser) shall have the right to purchase from BV or its Affiliate ten percent of such Preferred Units. Smith Purchaser shall elect to purchase such Preferred Units by giving written notice to the Company and BV within fifteen days after Smith Purchaser receives written notice that BV or its Affiliate has made or will make a Capital Contribution or other payment to or on behalf of the Company pursuant to the Equity Subscription Agreement. The purchase price for such Preferred Units shall be ten percent of the amount of such Capital Contribution or other payment.

The closing shall occur on the later of (i) the fifth Business Day after Smith Purchaser elects to purchase such Preferred Units and (ii) the date on which such Preferred Units are issued to BV or its Affiliate. At the closing of a sale under this Section 7.6(e), BV or its Affiliate shall sell the Preferred Units to be sold, free and clear of all Liens (other than Liens pursuant to Section 8.9), pursuant to written instruments of transfer in form and substance reasonably satisfactory to Smith Purchaser, and Smith Purchaser shall pay the purchase price by wire transfer of immediately available funds.

(f) Without limiting the discretion granted to the Board of Representatives under this Agreement with respect to the issuance of additional Membership Interests, the Members expressly agree that the Board of Representatives may at any time and from time to time, subject to Section 7.6(b), cause the Company to issue additional Membership Interests that entitle the holders thereof to distributions in priority to all distributions with respect to Class A Units, Class B Units, and Class C Units as now provided in Section 4.1(c). The Members further expressly acknowledge that it is currently contemplated that, if the Company requires additional capital to conduct its business, it will seek to raise such capital through the sale of additional Membership Interests that entitle the holders to a cumulative return thereon at a rate of twenty percent per year, compounded quarterly, in priority to all distributions with respect to Class A Units, Class B Units, and Class C Units, but nothing herein is intended to limit the discretion of the Board of Representatives to establish a higher or lower rate of return for any such additional Membership Interests.

Section 8. Assignment, Transfer, or Sale of Membership Interests.

8.1 Limitations on Transfers.

(a) Except as provided in Section 8.1(b), no Member shall sell, assign, transfer, or otherwise dispose of, or pledge, hypothecate, or otherwise encumber all or any part of its Membership Interest (any such action, a "Transfer"), whether voluntarily, involuntarily, or by operation of law, unless approved in writing by Frontyard, which approval may be withheld in the sole discretion of Frontyard.

(b) The restrictions of Section 8.1(a) shall not apply to, and no consent of Frontyard shall be required for:

(i) a Transfer of any Membership Interest by a Member to a Permitted Transferee of such Member;

(ii) a Transfer of Membership Interests by a Selling Class A Member or a Participating Class B Member in a sale that complies with Section 8.6;

(iii) a Transfer of Membership Interests to a Drag-Along Purchaser in a sale in accordance with Section 8.7;

(iv) a Transfer of Membership Interests to effectuate the incorporation of the Company or other conversion of the Company to corporate form in accordance with Section 12.2;

(v) the pledge by the Members of their Membership Interests in accordance with Section 8.9 and the subsequent Transfer of such Membership Interests upon foreclosure on any such pledge or in a sale in lieu of foreclosure on any such pledge; or

(vi) the purchase and sale of Class A Units pursuant to Section 8.10.

(c) Notwithstanding anything to the contrary contained herein, no Transfer shall be made unless the Member proposing to make such Transfer gives notice thereof to each other Member and the Company at least two Business Days prior to the effective date of such proposed Transfer. For purposes hereof, such notice, shall state the identity and address of the proposed Transferee, shall describe with particularity the nature of the proposed Transfer and the terms thereof and shall identify the provision of this Agreement under which such Member believes that the proposed Transfer is permitted.

(d) Each Member agrees not to Transfer or offer to Transfer any portion of its Membership Interest (i) unless there is an effective registration or other qualification relating thereto under the Securities Acts or (ii) pursuant to an exemption from the registration requirements of the Securities Acts. The Company may reasonably request that a Member proposing to Transfer or offer to Transfer any portion of its Membership Interests deliver to the Company an opinion of counsel, in form and substance reasonably satisfactory to the Company, that registration or other qualification under the Securities Acts is not required in connection with the proposed Transfer or offer to Transfer.

(e) So long as it is a Member, no Smith Member shall cause or permit a change in control of such Smith Member to occur, whether voluntarily, involuntarily, or by operation of law, unless approved in writing by Frontyard, which approval may not be unreasonably withheld, conditioned, or delayed. For purposes of this Section 8.1(e), a "change of control of a Smith Member" shall have occurred if, following any transaction or series of transactions, such Smith Member is not controlled by Persons who were Permitted Transferees of such Smith Member immediately prior to such transaction or series of transactions.

(f) Except as provided in Section 8.8, each certificate representing Units shall bear a legend in substantially the following form:

> This security has not been registered under the Securities Act of 1933, as amended, or under the securities laws of any state, and may not be sold, or otherwise transferred, in the absence of such registration or an exemption therefrom under such Act and under any such applicable state laws. Furthermore, such security may be sold or otherwise transferred only in compliance with the conditions specified in the Amended and Restated Limited Liability Company Agreement of Smith Media, LLC dated as of [Closing Date], and is subject to certain provisions set forth in such Agreement. Complete and correct copies of such Amended and Restated Limited Liability Company Agreement are available for inspection at the principal office of the issuer hereof and will be

furnished without charge to the holder of such security upon written request.

8.2 Assignee.

(a) The rights of any Assignee shall be subject at all times to the limitations set forth in this Section 8.2.

(b) An Assignee shall be entitled to receive distributions of cash or other property, and allocations of Net Profit and Net Loss and of items of income, deduction, gain, loss, or credit, from the Company attributable to the assigned Membership Interests from and after the effective date of the assignment and shall have the right to receive a copy of the financial statements delivered to Members pursuant to Section 11 from and after the effective date of the assignment, but an Assignee shall have no other rights of a Member of the Company, unless and until such Assignee is admitted as a substitute Member pursuant to the provisions of Section 8.3.

(c) The Company shall be entitled to treat the assignor of any Membership Interest as the absolute owner of the Membership Interest in all respects, and shall incur no liability for distributions, allocations of Net Profit or Net Loss, or transmittal of reports and notices required to be given to Members that are made in good faith to the assignor until the effective date of the assignment, or, in the case of the transmittal of reports (other than the financial statements delivered pursuant to Section 8.2(b)), or notices, until the Assignee is so admitted as a substitute Member. The effective date of an assignment shall be (i) the first day of the calendar month following the month in which the Company has received an executed instrument of assignment in compliance with Section 8.3(a) and notice from the assignor of the name and address of the Assignee or (ii) the first day of a later month if specified in the executed instrument of assignment. The Assignee shall be deemed an Assignee on the effective date of the assignment, and shall only be entitled to distributions and allocations of Net Profit and Net Loss attributable to the period beginning on the effective date of the assignment. The Company shall attribute Net Profit and Net Loss to the period before the effective date of the assignment and to the period beginning on the effective date of the assignment by the interim closing of the Company books method set forth in Treasury Regulation Section 1.706-1(c)(2)(ii). Each Assignee will inherit the balance of the Capital Account, as of the effective date of the assignment, of the assignor with respect to the Membership Interests assigned.

8.3 Substitute Members. An Assignee of a Member's Membership Interest shall not become a substitute Member unless all of the following conditions are first satisfied:

(a) a duly executed and acknowledged written instrument of assignment shall have been filed with the Company, specifying the Membership Interests being assigned and setting forth the agreement of the assignor that the Assignee succeed to the assignor's interest as a substitute Member;

(b) the assignor and Assignee shall have executed and acknowledged any other instruments that the Board of Representatives deems reasonably necessary or desirable for substitution, including the written acceptance and adoption by the Assignee of the provisions of

this Agreement and the assumption by the Assignee of all obligations of the assignor under this Agreement pursuant to the joinder described in Section 7.6;

(c) except in the case of an assignment permitted by Section 8.1(b), Frontyard shall have consented in writing to the admission of the Assignee as a substitute Member, the granting of which may be withheld by Frontyard, in its sole and absolute discretion; and

(d) the assignment to the Assignee shall have complied with the other provisions of this Section 8.

8.4 Other Consents and Requirements. Any Transfer of Membership Interests must be in compliance with all requirements of applicable law and all requirements imposed by any state securities administrator having jurisdiction over the Transfer and the United States Securities and Exchange Commission. Any action contemplated or required by this Agreement that constitutes a transfer, assignment, or other action requiring the prior consent or approval of the FCC shall be conditioned on obtaining all such required consents or approvals and the parties hereto agree to cooperate in seeking or obtaining any such consents or approvals.

8.5 Assignment Not In Compliance. Any Transfer in contravention of any of the provisions of this Section 8 (whether voluntarily, involuntarily, or by operation of law) shall be void and of no effect and shall neither bind, nor be recognized by, the Company.

8.6 Tag-Along Rights.

(a) At any time a Class A Member proposes to sell Class A Units to any Person other than a Permitted Transferee of such Class A Member (each such Class A Member, a "Selling Class A Member"), the Selling Class A Member shall provide written notice (the "Tag-Along Notice") to each Class B Member of the number of the Selling Class A Member's Class A Units to be sold (the "Tag Offered Interest"), the identity of the prospective purchaser, the purchase price, the terms of the prospective purchaser's financing, if any, and any other material terms and conditions of the proposed sale (the "Tag-Along Terms"). The purchase price for any Class B Unit in a sale pursuant to this Section 8.6 shall equal the amount per Unit that would be distributed with respect to the Class B Units in a hypothetical liquidation of the Company, determined by taking the purchase price to be paid for the Tag Offered Interest, calculating the total amount that the Company would need to distribute in liquidation to all Members pursuant to this Agreement to result in liquidation proceeds to the Selling Class A Member with respect to the Tag Offered Interest equal to such purchase price, and then assuming that the Company made a liquidating distribution of such total amount.

(b) Upon receipt of a Tag-Along Notice, each Class B Member shall have the right to participate in such proposed sale with respect to a number of Class B Units representing a percentage of the outstanding Class B Units equal to the percentage of the outstanding Class A Units represented by the Tag Offered Interest, exercisable by delivering written notice to the Selling Class A Member within ten Business Days from the date of its receipt of the Tag-Along Notice. The right of a Class B Member pursuant to this Section 8.6(b) shall terminate with respect to the proposed sale if not exercised within such ten Business Days period. A Class B Member that elects to participate in a sale pursuant to this Section 8.6(b) (each, a "Participating

Class B Member") shall specify in its Tag-Along Notice the portion of such Member's Class B Units that such Member wishes to include in the proposed sale (the "Tag-Along Interest").

(c) Each Participating Class B Member shall be entitled and obligated to sell to the prospective purchaser its Tag-Along Interest on the Tag-Along Terms (with such Member being subject, on a several and not a joint basis, to the same representations and warranties, covenants, indemnities, holdback, and escrow provisions, if any, and any similar components of the Tag-Along Terms to which the Selling Class A Member is subject). All reasonable fees and expenses incurred by the Class A Members (including fees and expenses in respect of financial advisors, accountants, and counsel) in connection with a sale pursuant to this Section 8.6 shall be shared among the Participating Class B Members *pro rata* based on allocation of the purchase price for the Units sold by the Class A Members and the Class B Members.

(d) At the closing of a sale pursuant to this Section 8.6, each Participating Class B Member shall sell, transfer, convey, and assign its Tag-Along Interest to the purchaser on the same terms (other than price) as the Selling Class A Member, including to the extent applicable to the Selling Class A Member, free and clear of all Liens, pursuant to written instruments of transfer in form and substance reasonably satisfactory to the proposed purchaser, against delivery of the purchase price therefor (less such Class B Member's *pro rata* share of fees and expenses as provided in Section 8.6(c)).

(e) If, following delivery of a Tag-Along Notice, the ten Business Day period set forth in Section 8.6(b) shall have expired without a Class B Member's exercise of its rights under this Section 8.6, the Selling Class A Member shall have the right, during the 180-day period following the expiration of such ten Business Day period, to sell to the prospective purchaser or an Affiliate thereof the Tag Offered Interest on the Tag-Along Terms without any further obligation to such Class B Member under this Section 8.6. If the Selling Class A Member does not consummate such sale within such 180-day period, any subsequent sale of the Tag Offered Interest shall once again be subject to the terms of this Section 8.6.

8.7 Drag-Along Rights.

(a) If one or more Class A Members shall have entered into a bona fide, arm's-length agreement with any Person or Persons that are not Affiliates of such Class A Members (such Person or Persons, a "Drag-Along Purchaser") regarding the sale, exchange, or other disposition of Class A Units representing a change in control of the Company (including a disposition by way of merger or other similar transaction), the selling Class A Members shall be entitled, at their option, to require each other Member to include its *pro rata* portion of its Units in such transaction (the "Drag-Along Right"); *provided, however,* that, prior to February 1, 2006, the selling Class A Members may only exercise the Drag-Along Right if (A) the aggregate purchase price to be paid for Class A Units in such transaction would be at least $50,000,000, or (B) the sale, exchange, or other disposition is pursuant to, or in lieu of, foreclosure by the lenders under the Definitive Loan Agreements. As used in this Section 8.7, the term "sale" encompasses any transaction that is subject to this Section 8.7, the term "purchase price" refers to the consideration (whether cash or property) to be received by the Members in exchange for their Units, and the term "purchaser" refers to the Person acquiring such Units, regardless of how the transaction is actually structured. The *pro rata* portion of a Member's Units for purposes of this

Section 8.7 means the number of Units of each Class representing a percentage of the outstanding Units of that Class equal to the percentage of the outstanding Class A Units represented by the Class A Units proposed to be sold by the electing Class A Members. The purchase price for any Unit held by a Member other than the electing Class A Members in a transaction pursuant to this Section 8.7 shall equal the amount per Unit that would be distributed with respect to such Unit in a hypothetical liquidation of the Company, determined by taking the purchase to be paid for the Class A Units of the electing Class A Members to be sold, calculating the total amount that the Company would need to distribute in liquidation to all Members pursuant to this Agreement to result in liquidation proceeds to the electing Class A Members with respect to such Class A Units equal to such purchase price, and then assuming that the Company made a liquidating distribution of such total amount. The type of consideration for all Units disposed of in a transaction pursuant to this Section 8.7 shall be the same.

(b) The Drag-Along Right shall be exercised by the electing Class A Members by giving written notice to each other Member, at least ten Business Days prior to consummation of the proposed sale, of the identity of the Drag-Along Purchaser, the purchase price, and any other material terms and conditions of the proposed sale. Upon receipt of such notice, each such other Member shall be obligated to sell the *pro rata* portion of its Units in such sale on such terms, other than price (with each such Member being subject, on a several and not a joint basis, to the same representations and warranties, indemnities, holdback, and escrow provisions, if any, and any similar terms of the proposed sale to which the electing Class A Members are subject), *provided*, *however*, that in no event shall any Class B Member or Class C Member be liable for an amount in excess of any proceeds from such sale received by such Member (except in the case of a breach by such Member of any representation or warranty relating to its authority to sell its Membership Interest or its ownership and title to its Membership Interest). Any sale pursuant to this Section 8.7 shall not require compliance with any provision of Section 8.6. All reasonable fees and expenses incurred by the Members (including fees and expenses in respect of financial advisors, accountants and counsel) in connection with a sale pursuant to this Section 8.7 shall be shared *pro rata* based on allocation of the purchase price for the Units sold by BV and the other Members.

(c) At the closing of a sale pursuant to this Section 8.7, each Member shall sell, transfer, convey, and assign the *pro rata* portion of its Units to be sold as set forth in Section 8.7(a) to the purchaser, free and clear of all Liens, pursuant to written instruments of transfer in form and substance reasonably satisfactory to the purchaser, against delivery of such Member's share of the aggregate purchase price.

8.8 Termination. The provisions of Sections 8.1(a), 8.1(c), 8.1(e), 8.1(f), 8.6, and 8.7 shall terminate upon a public offering of Units or any securities into which they are converted pursuant to Section 12.2 pursuant to a registration statement declared effective by the Securities and Exchange Commission pursuant to the Securities Act.

8.9 Pledge of Membership Interests. Each Member agrees to pledge its Membership Interest to secure indebtedness of the Company arising under the Definitive Loan Agreements and, at the request of the Board of Representatives, to pledge its Membership Interest to secure any other indebtedness of the Company that is permitted under this Agreement, in each case on

terms determined by the Board of Representatives. Each Member agrees to comply with the terms of any such pledge.

8.10 Purchase and Sale of Class A Units in Connection with Indemnity Claims. If the Smith Companies have any liability to the Company for Finally Determined Losses that has not otherwise been satisfied through a cash payment to the Company, then, BV shall have the rights specified in this Section 8.10 with respect to the amount of the unsatisfied liability of the Smith Companies to the Company for such Finally Determined Losses. For the avoidance of doubt, it is understood and agreed that in lieu of any remedies with respect to Finally Determined Losses set forth in Section 8.10(a) and Section 4.5, the Smith Companies shall have the right, which right may be exercised or not in their sole and absolute discretion, to satisfy or not satisfy any liability to the Company for Finally Determined Losses through a cash payment to the Company, and any such cash payment shall have the effect of increasing the number of "Exempt Class A Units" in accordance with Section 8.10(a) below.

(a) At the option of BV, those Smith Members holding Class A Units shall sell and BV shall purchase the lesser of (i) the number of Class A Units held by the Smith Members less the number of Exempt Class A Units or (ii) a number of Class A Units having a purchase price (determined in accordance with Section 8.10(b)) equal to the amount of the unsatisfied liability of the Smith Companies to the Company for Finally Determined Losses. For purposes of the preceding sentence, the number of "Exempt Class A Units" equals the product of (i) the total number of Class A Units held by the Smith Members plus any Class A Units purchased by BV from the Smith Members pursuant to this Section 8.10 multiplied by (ii) a fraction, the numerator of which is the total amount of all indemnification claims under the Contribution Agreement that the Smith Members or the other Smith Companies have otherwise satisfied through cash payments to the Company (other than cash payments deemed to have been made by the Smith Companies pursuant to Section 8.10(d)) and the denominator of which is $2,500,000.

(b) The purchase price for any Class A Units purchased and sold pursuant to this Section 8.10 shall be $10.00 per Unit (subject to adjustment as provided in the following sentence) plus interest thereon at a rate of 3.5% per year, compounded quarterly, from the date of this Agreement through the date of the purchase and sale. The purchase price per Unit shall be appropriately adjusted in the event of any combination, subdivision, recapitalization, or reclassification of Class A Units, any transaction equivalent to the payment of a stock dividend on the Class A Units, or any other transaction with an equivalent effect to any of the foregoing, and such adjustment shall be such that the economic effect of any purchase and sale pursuant to this Section 8.10 shall not be affected by any such transaction.

(c) At the closing of a sale pursuant to this Section 8.10, each of the Smith Members holding Class A Units shall sell, transfer, convey, and assign to BV its *pro rata* portion (based upon the number of Class A Units held) of the Class A Units to be sold, free and clear of all Liens (other than Liens pursuant to Section 8.9), pursuant to written instruments of transfer in form and substance reasonably satisfactory to BV.

(d) At the closing of a sale pursuant to this Section 8.10, BV shall pay the aggregate purchase price directly to the Company, for the account of the Smith Members, as

payment on their behalf, in whole or in part, as applicable, of the Smith Companies' liability for such Finally Determined Losses, and the Smith Companies shall be deemed to have satisfied such liability to the same extent as if the Smith Companies had paid such amount directly to the Company.

8.11 Right of First Refusal Following an Event of Insolvency of a Member.

(a) A Member shall be subject to the provisions of this Section 8.11 if:

(i) such Member (A) files a voluntary petition in bankruptcy, (B) files any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment of debt, liquidation, or dissolution or similar relief under any present or future insolvency statute, law, or regulation of any jurisdiction, (C) petitions or applies to any tribunal for any receiver, custodian or any trustee for any part of the Membership Interest of such Member or substantially all of the property of such Member, (D) files any answer to any such petition admitting or not contesting the material allegations of any such petition sufficient to support the grant or approval of any such order, judgment, or decree, (E) seeks, approves or consents to, any such proceeding, or in the appointment of any trustee, receiver, sequestrator, custodian, liquidator, or fiscal agent for it, or any part of the Membership Interest of such Member or substantially all of the property of such Member, an order is entered appointing any such trustee, receiver, custodian, liquidator, or fiscal agent, or (F) takes any formal action for the purpose of effecting any of the foregoing; or

(ii) an order or decree has been entered by a court having jurisdiction (A) adjudging such Member bankrupt or insolvent, (B) approving a petition seeking reorganization, liquidation, arrangement, adjustment, or composition of or in respect of such Member under the bankruptcy or insolvency laws of any jurisdiction, or (C) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of such Member or any part of the Membership Interests of such Member or substantially all of the property of such Member.

(b) In addition to the other restrictions on Transfer contained in this Agreement (including the approval of Frontyard pursuant to Section 8.1(a)), a Member that is subject to this Section 8.11 shall not sell all or any part of its Membership Interest (other than to a Permitted Transferee of such Member that is not subject to this Section 8.11) without complying with this Section 8.11(b):

(i) A Member that is subject to this Section 8.11 and that desires to sell all or any part of its Membership Interest (the "Seller"), other than to a Permitted Transferee of such Member that is not subject to this Section 8.11, shall obtain a *bona fide* offer (the "Third-Party Offer") in writing from the prospective purchaser to purchase for cash that part of the Seller's Membership Interest that the Seller desires to sell (the "Offered Interest"). The Seller shall then deliver to the Offeree (as defined below) a notice (the "Seller's Offer") containing a copy of the Third-Party Offer, setting forth the identity of the Person that made the Third-Party Offer, and offering to sell to the Offeree the Offered Interest for cash in an amount equal to the purchase price specified in, and otherwise on the terms and conditions contained in, the Third-

Party Offer. If the Seller is a Smith Member, BV shall be the Offeree; if the Seller is BV, Frontyard, Michael Granados, or Ian Guthrie, then Smith Purchaser shall be the Offeree.

(ii) The Offeree may elect to accept the Seller's Offer by giving written notice to the Seller within fifteen days after the Offeree receives the Seller's Offer. If the Offeree elects to accept the Seller's Offer, the closing of the purchase and sale of the Offered Interest shall occur on the latest of (A) the tenth Business Day after the Company elects to purchase the Offered Interest, (B) the closing date provided in the Third-Party Offer, or (C) the receipt of any necessary bankruptcy court approvals. If the Offeree elects to accept the Seller's Offer, the Offeree may elect to assign its right to purchase the Offered Interest to any Person other than a Member that is subject to this Section 8.11. At the closing of a sale under this Section 8.11(b), the Seller shall sell to the Offeree (or the Company's assignee or assignees) the Offered Interest, free and clear of all Liens (other than Liens pursuant to Section 8.9), pursuant to written instruments of transfer in form and substance reasonably satisfactory to the Offeree, and the Offeree (or the Company's assignee or assignees) shall pay the purchase price by wire transfer of immediately available funds.

(iii) Subject to the other restrictions on Transfer contained in this Agreement (including the approval of Frontyard pursuant to Section 8.1(a)), if the Offeree does not elect to accept the Seller's Offer before the deadline specified in Section 8.11(b)(ii), then the Seller may sell all, but not less than all, of the Offered Interest in accordance with the terms of the Third-Party Offer, at any time during the sixty-day period beginning on the day following the deadline for the Offeree's acceptance of the Seller's Offer. The Seller shall, as promptly as practicable and prior to the closing of such sale, provide to the Offeree a copy of all documents for the sale of the Offered Interest so as to permit the Offeree to confirm that the terms and conditions of such sale conform with the Third-Party Offer. If the Seller does not sell the Offered Interest during such sixty-day period, the procedure set forth in this Section 8.11(b) shall be repeated with respect to any subsequent proposed sale of all or any part of the Membership Interest by the Seller.

(c) If the Company (as assignee of the rights of the Offeree) purchases all or part of the Membership Interest of any Member, then (i) no distributions shall henceforth be made pursuant to Section 4.1 with respect to the purchased Membership Interest and (ii) the Members will amend Section 4.1 so as to reallocate among themselves, *pro rata* in accordance with their rights to distributions under Section 4.1, the distributions that would otherwise be made with respect to the purchased Membership Interest.

Section 9. Representations, Warranties, and Agreements of the Members.

9.1 Securities Laws.

(a) Each Member acknowledges and agrees that (i) the Membership Interests have not been registered under the Securities Act or any state securities laws (collectively, the "Securities Acts") because the Company is issuing the Membership Interests in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering, (ii) the Company has relied upon the fact that the Membership Interests are to be held by each Member for investment and not with a view to

distribution in violation of the federal securities laws or applicable state securities law and (iii) exemption from registration under the Securities Acts would not be available if the Membership Interests were acquired by a Member with a view to distribution in violation of the federal securities laws or applicable state securities law.

(b) Each Member hereby confirms to the Company that such Member is acquiring its Membership Interests for the Member's own account, for investment and not with a view to the resale or distribution thereof in violation of the federal securities laws or applicable state securities law. Each Member understands that the Company is under no obligation to register the Membership Interests or to assist any Member in complying with any exemption from registration under the Securities Acts if such Member should, at a later date, wish to dispose of any Membership Interests. Furthermore, each Member realizes that the Membership Interests are unlikely to qualify for disposition under Rule 144 promulgated by the Securities and Exchange Commission unless such Member is not an Affiliate of the Company and the Membership Interests have been beneficially owned and fully paid for by the Member for at least two years.

(c) Each Member acknowledges and agrees as follows: (i) prior to acquiring its Membership Interests, it has made an investigation of the Company and its business and had made available to it all information with respect thereto needed to make an informed decision to acquire the Membership Interests, (ii) it considers itself to be a Person possessing experience and sophistication, as an investor, adequate for the evaluation of the merits and risks of its investment in the Company, (iii) its determination to acquire Membership Interests has been made independently of the other Members, and independently of any statements or opinions as to the advisability of such acquisition or as to the properties, business, prospects, or condition (financial or otherwise) of the Company which may have been made or given by the other Members or by any agent or employee of the other Members, and (iv) the other Members have not acted as its agent in connection with making its acquisition of Membership Interests and the other Members will not be acting as its agent in connection with monitoring such Member's investment in the Membership Interests.

9.2 Representations and Warranties of the Members. Each of the Members represents and warrants, as to itself only, to the Company and each other Member, as follows:

(a) Except in the case of the Class C Members, it is a limited liability company, limited partnership, or corporation, as applicable, duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization.

(b) Except in the case of the Class C Members, it has full limited liability company, limited partnership, or corporate power and authority, as applicable, to execute, deliver, and perform this Agreement and to consummate the transactions contemplated hereby, including the acquisition by it of its Membership Interest, and this Agreement has been duly authorized and approved by all necessary limited liability company, limited partnership, or corporate action, as applicable, on its part.

(c) This Agreement constitutes its legal, valid, and binding obligation and is enforceable against it in accordance with its terms, except as such enforceability may be limited

by bankruptcy, insolvency, or other laws of general application relating to or affecting the enforcement of creditors' rights and subject to equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

(d) Neither the execution, delivery, and performance by it of this Agreement, nor the consummation by it of the transactions contemplated hereby, nor compliance by it with any of the provisions hereof, will violate, conflict with, result in breach of any provision of, constitute a default (or any event that, with notice or lapse of time or both would constitute a default) under, result in the termination of, accelerate the performance required by, or result in a right to termination or acceleration, or the creation of any Lien upon any of its properties or assets, under the terms, conditions, or provisions of, (x) except in the case of the Class C Members, its organizational documents, (y) any note, bond, mortgage, indenture, or material agreement or contract to which it is a party, or by which it may be bound, or to which it or its assets may be subject, or (z) any law, rule, regulation, order, writ, judgment, decree, determination, or award applicable to it.

(e) Except as disclosed in the Contribution Agreement or the Securities Purchase Agreement, it has not engaged, or incurred any unpaid liability (for any brokerage fees, finders' fee, commissions or otherwise) to, any broker, finder, or agent in connection with the execution, delivery, and performance of this Agreement or the consummation of the transactions contemplated by this Agreement.

(f) Except in the case of the Class C Members, it is an "accredited investor" as defined in Rule 501(a) of Regulation D of the Securities Act.

Section 10. Dissolution and Termination of the Company.

10.1 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

(a) an agreement of BV, Frontyard, and the holders of a majority of the Class B Units to dissolve the Company;

(b) unless Members holding a majority of the outstanding Class A Units at such time otherwise agree, consummation of the sale of all or substantially all of the assets of the Company in a manner permitted by this Agreement;

(c) unless Members holding a majority of the outstanding Class A Units at such time otherwise agree, at the election of the Board of Representatives, to the extent necessary or appropriate in connection with the incorporation of the Company or the conversion of the Company into a corporation in accordance with Section 12.2; or

(d) unless Members holding a majority of the outstanding Class A Units at such time and Members holding a majority of the outstanding Class B Units at such time otherwise agree, and subject to any provision of this Agreement that limits or prevents dissolution (including Section 10.4), the happening of any event that, under applicable law, causes the dissolution of a limited liability company.

10.2 Liquidation and Termination.

(a) Upon dissolution of the Company for any reason, the Company shall immediately commence to wind up its affairs. A reasonable period of time shall be allowed for the orderly termination of the Company business, discharge of its liabilities and distribution or liquidation of its remaining assets so as to enable the Company to minimize the normal losses attendant to the liquidation process.

(b) Liquidation of the assets of the Company shall be managed on behalf of the Company by the "Liquidator," which shall be Frontyard or a liquidating trustee selected by Frontyard. The Liquidator shall be responsible for soliciting offers to purchase the entirety of the Company's assets (including equity interests in other Persons) or portions or clusters of assets of the Company.

(c) The Liquidator shall cause a full accounting of the assets and liabilities of the Company to be taken and a statement thereof to be furnished to each Member within thirty days after the distribution of all of the assets of the Company.

(d) The property and assets of the Company and the proceeds from the liquidation thereof shall be applied in the following order of priority:

(i) first, to creditors of the Company, including Members who are creditors of the Company with respect to obligations incurred by the Company in accordance with the terms of this Agreement, in satisfaction of the debts and liabilities of the Company, in the order of priority provided by law (including any loans by any Member to the Company), whether by payment or the making of reasonable provisions for payments thereof, and payment of the expenses of liquidation;

(ii) finally, the remaining proceeds shall be distributed to the Members in accordance with Section 4.1. The distributions pursuant to this Section 10.2(d)(ii) shall, to the extent possible, be made prior to the later of the end of the Fiscal Year in which the dissolution occurs or the ninetieth day after the date of dissolution, or such other time period which may be permitted under Treasury Regulations Section 1.704-1(b)(2)(ii)(*b*).

(e) Upon the completion of the winding up of the Company as set forth herein, the Liquidator shall file a certificate of cancellation of the Company as provided in the Act and the Company shall thereupon terminate.

10.3 Distribution in Kind. The Company shall not distribute any non-cash asset to any Member without the consent of each Member, except that, upon liquidation of the Company, the Company may distribute identical assets (such as shares of stock or other securities) to the Members pro rata in accordance with Section 10.2(d)(ii).

10.4 No Action for Dissolution.

(a) The Members and each Representative acknowledge that irreparable damage would be done to the goodwill and reputation of the Company if any Member should take any Material Action other than the dissolution or liquidation of the Company where

dissolution and liquidation are required by Section 10.1. This Agreement has been drafted carefully to provide fair treatment of all parties and equitable payment in liquidation of the Membership Interests of all Members. Accordingly, notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Members, the Board of Representatives, any Representative, any Officer or any other Person, except where dissolution and liquidation are required by Section 10.1, neither the Company, the Members, the Board of Representatives, any Representative, any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of the Members and the Board of Representatives, to take any Material Action.

(b) "Material Action" means to institute proceedings to have the Company be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate the Company (whether by the institution of legal action or otherwise).

10.5 No Further Claim. Upon dissolution of the Company, each Member shall look solely to the assets of the Company for the return of its investment, and if the assets of the Company remaining after payment or discharge of the debts and liabilities of the Company, including debts and liabilities owed to one or more of the Members, are insufficient to return the aggregate Capital Contributions of a Member, no Member shall have any recourse against any other Member.

10.6 Disposition of Documents and Records. All documents and records of the Company, including all financial records, vouchers, canceled checks and bank statements, shall be delivered to Frontyard upon dissolution of the Company. Frontyard shall retain such documents and records for a period of not less than seven years and shall make such documents and records available during normal business hours to each other Member for inspection and copying at the other Member's cost and expense.

Section 11. Reports; Tax Returns.

11.1 Annual Financial Reports. As soon as practicable after the end of each Fiscal Year ending on or after the date of this Agreement, but not later than the earlier of 120 days after the end of such Fiscal Year or the date such reports are delivered to the Company's senior lender, the Company shall cause to be prepared and delivered to each Member (i) audited statements of operations and cash flows of the Company for such ended Fiscal Year, and an audited balance sheet of the Company (including allocations to each Member of its portion of Net Profit or Net Loss for such fiscal quarter as would be reflected on the annual federal income tax returns of the Company and the financial statements set forth in this Section 11) as of the close of such ended Fiscal Year, including appropriate notes to such financial statements, audited by the Company's independent certified public accountants, all of which shall be prepared in accordance with

GAAP, consistently applied, and (ii) breakdown of each Member's Capital Account as of the end of such Fiscal Year. The reasonable fees and expenses of the Company in preparing such financial statements shall be paid by the Company.

11.2 Quarterly Financial Reports. No later than the earlier of (a) forty-five days after the end of each of the first three quarters of each Fiscal Year of the Company or (b) the date such reports are delivered to the Company's senior lender, the Company shall cause to be prepared and delivered to each Member (A) unaudited statements of operations and cash flows of the Company for such fiscal quarter and for the period from the beginning of the current Fiscal Year to the end of such fiscal quarter, and (B) an unaudited balance sheet of the Company as of the close of such fiscal quarter. The reasonable fees and expenses of the Company in preparing such financial statements shall be paid by the Company.

11.3 Monthly and Weekly Financial Reports and Other Information. No later than the earlier of (a) forty-five days after the end of each month or (b) the date such reports are delivered to the Company's senior lender, the Company shall cause to be prepared and delivered to each Member an operating statement for such month. The Company shall deliver to the Class A and Class B Members any other reports or documents that the Company prepares for or delivers to the Company's senior lender or to any Representative. The Company shall deliver to each Member any other information concerning the business of the Company (including information with respect to potential acquisitions and financings) that such Member reasonably requests.

11.4 Tax Returns. The Company shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. The Company shall furnish to each Member as soon as practicable after the end of each Fiscal Year, and in any event not later than April 1 of the following Fiscal Year, a Federal Partner Income Tax Schedule "K-1," or any substitute therefor, for such Member with respect to such Fiscal Year.

11.5 Debt Allocation. No later than February 1, 2005, the Company shall provide the Smith Members with a draft of a proposed allocation among the assets of the Company of those Nonrecourse Liabilities in existence as of the date hereof (the "Proposed Debt Allocation"), allocating such liabilities to the assets that were contributed subject to such liabilities on the date hereof, for their review and comment. The Company agrees to resolve in good faith any changes to the Proposed Debt Allocation requested by the Smith Members, provided that the Smith Members request such changes no later than February 15, 2005 and such changes are not inconsistent with the terms of this Agreement. If the Company and the Smith Members are unable to resolve any issue or dispute by February 28, 2005, the Company and the Smith Members shall file their respective tax returns in a manner consistent with the Proposed Debt Allocation, *i.e.*, without any changes requested by the Smith Members that are still in issue or dispute.

11.6 Non-Disclosure. Any Member to which non-public information is furnished pursuant to this Agreement agrees to keep such information confidential and not to disclose such information, in any manner whatsoever, in whole or in part, and to use the degree of care that it uses with respect to its own confidential information to prevent disclosure of such information by

its agents, representatives, and employees, in any manner whatsoever, in whole or in part, except that each Member shall be permitted to disclose such information:

(a) to those of its agents, representatives, employees, and Affiliates which need to be familiar with such information in connection with such Member's investment in the Company;

(b) to the extent required by law, including federal or state securities laws or regulations, or by the rules and regulations of any stock exchange or association on which securities of such Member or any of its Affiliates are traded, so long as such Member shall have first afforded the Company with a reasonable opportunity to contest the necessity of disclosing such information;

(c) to the extent necessary for the enforcement of any right or the performance of any obligation of such Member arising under this Agreement;

(d) that is or becomes generally available to the public, other than as a result of a disclosure by such Member, its agents, representatives, or employees in breach of this Section 11.6; and

(e) that becomes available to such Member on a non-confidential basis from a source (other than the Company, a Member, or their respective agents, representatives, and employees) that is not prohibited from disclosing such information to such Member by a legal, contractual or fiduciary obligation to the Company or any Member.

11.7 Location and Rights of Inspection. The Company shall keep and maintain its books and records of account at its principal office and such other place as the Board of Representatives shall designate. Each Member and its authorized representatives shall have (a) full and complete access to all information and personnel of the Company's broadcast stations on a timely basis and (b) the right to inspect, examine, and copy the books, records, files, and other documents and information of the Company.

Section 12. Covenants.

12.1 Reimbursable Expenses; Other Expenses. Upon execution and delivery of this Agreement, the Company shall pay to BV and Frontyard, by wire transfer of immediately available funds, the amount of their respective Reimbursable Expenses, except that the aggregate payments to BV and Frontyard under this sentence, plus the amount of expenses (other than Bank Fees) incurred directly by the Company prior to the date of this Agreement that are related to the consummation of the transactions contemplated by the Transaction Agreements and the other agreements contemplated thereby, shall not exceed $1,600,000. The Company shall pay all Bank Fees. The Company will also reimburse Frontyard, BV, and the Smith Members for reasonable travel expenses incurred by any of them in connection with the business and operations of the Company, including travel by Representatives to meetings of the Board of Representatives, and will reimburse Frontyard and BV for (a) reasonable fees and expenses incurred by either of them and associated with due diligence in connection with potential acquisitions and financings by the Company (including fees and expenses of financial advisors

and accountants retained by Frontyard and BV), and (b) reasonable fees and expenses of legal counsel for Frontyard and BV related to potential acquisitions and financings.

12.2 Right to Convert to Corporate Form.

(a) The Board of Representatives may elect at any time to require that the Company be incorporated or otherwise converted to corporate form solely for the purpose of effecting an initial public offering of equity securities in the corporate successor to the Company. Any transaction under this Section 12.2 by which the Company may be converted to corporate form is referred to in this Section 12.2 as an "incorporation" of the Company. Any incorporation of the Company shall be effected by a merger, conversion, or by such other form of transaction or transactions as may be available under applicable law that results in the Membership Interests being converted into, or exchanged for, stock in a corporation, and the Board of Representatives and the Company shall use reasonable efforts to cause any incorporation to be effected through a tax-free reorganization or other non-recognition transaction with respect to any contribution, conversion, exchange, transfer, or other disposition of Membership Interests by the Members. In such an incorporation, the Members shall receive in exchange for their Membership Interests common stock having identical economic rights per share, and the number of shares received by the Members shall be proportionate to the amounts each Member would receive upon liquidation of the Company. Upon the Members' receipt of such shares, all other rights of the Members under this Agreement will terminate.

(b) The manner of effecting the incorporation of the Company shall be determined by the Board of Representatives, consistent with this Section 12.2, and may include:

(i) the contribution or other assignment of all or substantially all of the assets and liabilities of the Company to one or more Persons formed by the Company;

(ii) the merger or consolidation of the Company with or into one or more Persons formed by the Company; or

(iii) the contribution, transfer, or other disposition of all of the Membership Interests to one or more Persons formed by the Company.

(c) Following an election by the Board of Representatives to incorporate the Company, the Members shall execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, all instruments and documents that may be reasonably requested by the Board of Representatives to best effectuate such incorporation consistent with this Section 12.2.

(d) Upon the incorporation of the Company, the corporate successor to the Company will enter into a registration rights agreement with the Members granting them customary demand and piggy-back registration rights. The registration rights granted to each Member under such agreement will be equivalent on a proportionate basis, subject to customary minimums and thresholds for exercising certain rights.

Section 13. Amendments and Waivers.

13.1 Amendments.

(a) This Agreement may be amended if, and only if, such amendment is in writing and consented to by the Members holding a majority of the outstanding Class A Units at such time; *provided*, *however*, that in addition to such consent, except as otherwise contemplated by Section 12.2 or by Section 13.1(b), (i) the consent of holders of a majority of the outstanding Class B Units shall be required for any amendment that changes the rights, preferences, or privileges of the Class B Units so as to materially and adversely affect the rights, preferences, or privileges of the Class B Units or the holders thereof, and (ii) the consent of Smith Purchaser shall be required for any amendment to Section 8.10 or any amendment that effects such Smith Purchaser's Class A Units in a manner materially and adversely different from the other Class A Units. The Members acknowledge that, without limiting the preceding in any manner, an amendment to Section 3.1(a)(iii) that changes the rights of the Class C Members to distributions will constitute a change to the rights of the Class B Units.

(b) Notwithstanding anything to the contrary contained herein, the Board of Representatives may amend this Agreement to reflect the issuance of additional Membership Interests (including securities convertible into, or exchangeable for, Membership Interests) to the extent such additional Membership Interests are issued in accordance and in compliance with Section 6.3(a)(xii) and Section 7.6(b) and the admission of the Persons acquiring such Membership Interests as additional Members. Any amendment to this Agreement to reflect the issuance of additional Membership Interests shall set forth the rights, powers, and preferences of such additional Membership Interests, including rights, powers, and preferences with respect to allocations of Net Profit or Net Loss and distributions from the Company, and the effects of the rights, powers, and preferences of such additional Membership Interests on the rights, powers, and preferences of Membership Interests existing as of the date of such amendment.

(c) The Company shall prepare and file any amendment to the Certificate of Formation that may be required to be filed under the Act as a consequence of any amendment to this Agreement.

(d) Any amendment, supplement, or modification to this Agreement that has received the requisite approval pursuant to Section 13.1(a) or Section 13.1(b) above shall be binding on all Members.

13.2 Waivers. Any Member may waive (either generally or in a particular instance, and either retroactively or prospectively) the observance or performance by the Company or any other Member of any term or provision of this Agreement, but no such waiver shall be effective unless evidenced by a written instrument specifically referring to the provision being waived and executed by the Member granting such waiver. No delay on the part of any Member in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Member of any right, power, or privilege under this Agreement operate as a waiver of any other right, power, or privilege under this Agreement, nor shall any single or partial exercise of any right, power, or privilege under this Agreement

preclude any other or further exercise thereof or the exercise of any other right, power, or privilege under this Agreement.

Section 14. Miscellaneous.

14.1 Captions. All article, section or paragraph captions contained in this Agreement are for convenience only and shall not be deemed part of this Agreement.

14.2 Further Action. Each Member agrees to execute, with acknowledgment or affidavit, if required, any documents and writings in furtherance of this Agreement, including (i) amendments of this Agreement adopted pursuant to and in conformity with the terms of this Agreement including Section 13 and 6.3(b)(v), (ii) any amendments, certificates, and other documents that the Board of Representatives reasonably deems necessary or appropriate to qualify or continue the Company as a limited liability company in all jurisdictions in which the Company conducts or plans to conduct business or owns or plans to own property, and (iii) all agreements, certificates, tax statements, tax returns, and other documents that may be required of the Company or its Members under applicable law.

14.3 Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, and the other documents referred to herein or delivered pursuant hereto together contain the entire agreement among the parties with respect to the subject matter of this Agreement and supersede all prior oral or written agreements, commitments, or understandings among the parties regarding the subject matter of this Agreement.

14.4 Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties.

14.5 Equitable Remedies. The rights and remedies of the parties under this Agreement are not mutually exclusive. Each of the parties confirms that damages at law may not always be an adequate remedy for a breach or threatened breach of this Agreement and agrees that, in the event of a breach or threatened breach of any provision of this Agreement, the respective rights and obligations under this Agreement shall be enforceable by specific performance, injunction, or other equitable remedy.

14.6 Notices. All notices, requests, consents, and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the Person giving such notice) hand delivered by messenger or courier service, electronically transmitted, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to BV or Frontyard:	To such Member at the address indicated on Schedule 2.11

With a copy (which shall not constitute notice) to:	Dow, Lohnes & Albertson, PLLC 1200 New Hampshire Avenue, NW Washington, DC 20036 Attention: John T. Byrnes, Jr., Esq. Telecopy: 202-776-2222 Telephone: 202-776-2000
If to any Smith Member:	To such Member at the address indicated on Schedule 2.11
With a copy (which shall not constitute notice) to:	Hogan & Hartson L.L.P. 8300 Greensboro Drive Suite 1100 McLean, Virginia 22102 Attention: Richard T. Horan, Jr., Esq. Telecopy: 703-610-6200 Telephone: 703-610-6100
If to Michael Granados or Ian Guthrie:	To such Member at the address indicated on Schedule 2.11

or to such other address as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (i) on the date delivered if by personal delivery; (ii) on the date of transmission with confirmed answer back if by electronic transmission; and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

14.7 Severability. If any provision or part of any provision of this Agreement shall be invalid or unenforceable in any respect, such provision or part of any provision shall be enforceable to the fullest extent permitted by applicable law and shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Agreement.

14.8 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument.

14.9 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Delaware (without regard to the choice of law provisions thereof).

14.10 No Third-Party Beneficiaries. This Agreement is not intended to, and shall not be construed to, create any right enforceable by any Person that is not a party to this Agreement, including any creditor of the Company or of any of any Member or Members.

14.11 Enforcement Costs. If any civil action, arbitration, or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision of this Agreement, the successful or

prevailing party or parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs, and all expenses even if not taxable as court costs (including all such fees, taxes, costs, and expenses incident to arbitration, appellate, bankruptcy, and post-judgment proceedings), incurred in that civil action, arbitration, or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include paralegal fees, investigative fees, administrative costs, sales and use taxes, and all other charges billed by the attorney to the prevailing party.

[END OF PAGE. SIGNATURES FOLLOW.]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

Smith Media, LLC

By: _____
Name:
Title:

Frontyard Management, LLC

By: _____
Name:
Title:

Boston Ventures Limited Partnership VI

By: Boston Ventures Company VI, LLC, its General Partner

By: _____
Name:
Title:

Smith Television of New York, Inc.

By: _____
Name:
Title:

Smith Television of New York License Holdings, LLC

By: _____
Name:
Title:

Smith Broadcasting of Santa Barbara Limited Partnership

By: Smith Television of Santa Barbara, Inc., its General Partner

By: _____
Name:
Title:

SM Investment Holdings of Santa Barbara, LLC

By: _____
Name:
Title:

_____
Michael Granados

_____
Ian Guthrie

WITHDRAWING SMITH COMPANIES, FOR PURPOSES OF SECTION **Error! Reference source not found.** ONLY:

Smith Television Group, Inc.

By: _____
Name:
Title:

Smith Television License Holdings, Inc.

By: _____
Name:
Title:

Smith Broadcasting of Vermont, LLC

By: _____
Name:
Title: