

EQUITY PURCHASE AGREEMENT

BY AND BETWEEN

LM II HOLDINGS LLC

AND

LOCAL MEDIA TV HOLDINGS, LLC

October 5, 2018

TABLE OF CONTENTS

	Page
1. DEFINITIONS AND USAGE.....	1
1.1. Definitions	1
1.2. Usage	4
2. TRANSACTION	4
2.1. Closing	4
2.2. Sale and Purchase of the Equity Interests	5
2.3. Purchase Price	5
2.4. FCC Consent	5
2.5. Closing Conditions	5
2.6. Closing Deliveries	6
3. REPRESENTATIONS AND WARRANTIES OF SELLER.....	7
3.1. Organization; Authority	7
3.2. Capitalization and Ownership	8
3.3. Subsidiaries	8
3.4. No Conflict	9
3.5. Financial Statements; Liabilities	9
3.6. Absence of Changes	9
3.7. Litigation	9
3.8. Transactions with Related Parties	10
3.9. Taxes	10
3.10. FCC Licenses	10
3.11. Brokers	10
4. REPRESENTATIONS AND WARRANTIES OF BUYER.....	11
4.1. Organization; Authority	11
4.2. No Conflict	11
4.3. Qualification	11
4.4. Brokers	11
5. COVENANTS OF SELLER AND BUYER	11
5.1. Confidentiality	11
5.2. Further Assurances	12
5.3. Wind Down	12
5.4. Control	12
5.5. Pre-Closing Operations	12

TABLE OF CONTENTS
(continued)

	Page
6. "AS IS" TRANSACTION.....	13
6.1. Buyer's Acknowledgements	13
6.2. Limited Recourse	13
7. MISCELLANEOUS.....	13
7.1. No Survival; Certain Waivers	13
7.2. Payment of Expenses	14
7.3. Notices	15
7.4. Assignment	16
7.5. Governing Law	16
7.6. WAIVER OF JURY TRIAL	16
7.7. No Third-Party Beneficiaries	17
7.8. Amendment and Waiver	17
7.9. Entire Agreement	17
7.10. Public Announcements	17
7.11. Termination	17
7.12. Effect of Termination	18
7.13. Specific Performance	18
7.14. Severability	18
7.15. Captions; Construction	18
7.16. Counterparts	18

SCHEDULES

Schedule 2.2	Acquired Equity Interests
Schedule 3.2	Capitalization and Ownership
Schedule 3.3	State Qualifications
Schedule 3.4	No Conflict
Schedule 3.6	Litigation
Schedule 3.7	Transactions with Related Persons
Schedule 3.9	FCC Licenses

EXHIBITS

Exhibit A	Stations
Exhibit B	Form of Assignment of Membership Interests

EQUITY PURCHASE AGREEMENT

This EQUITY PURCHASE AGREEMENT (this “Agreement”) is dated as of October 5, 2018, by and between LM II HOLDINGS LLC, a Delaware limited liability company (“Buyer”), and Local Media TV Holdings, LLC, a Delaware limited liability company (“Seller”).

RECITALS

WHEREAS, Seller owns 100% of the outstanding limited liability company interests of each of Local Media TV Chicago, LLC, Local Media TV New York, LLC, Local Media TV of Pittsburgh LLC, WMT, LLC, and WMTM, LLC (but not any other subsidiary of Seller) (each a “Subsidiary” and collectively, the “Subsidiaries”) as set forth on Schedule 2.2 (the “Acquired Equity Interests”);

WHEREAS, pursuant to certain licenses issued by the Federal Communications Commission (the “FCC”) each Subsidiary is the licensee and operator of the television broadcast stations listed next to such Subsidiary’s name on Exhibit A (each a “Station”);

WHEREAS, the Subsidiaries own or lease all other assets used in connection with the operation of the Stations; and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase the Acquired Equity Interests.

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual premises, representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. DEFINITIONS AND USAGE

1.1. **Definitions.** As used in this Agreement, the following terms have the meanings specified or referred to in this Section 1.1:

“Administrative Agent” means Fortress Credit Corp., a Delaware corporation, in its capacity as administrative agent for the Lenders, as applicable.

“Ancillary Agreement” means any agreement, exhibit, statement, document or certificate executed and delivered in accordance with or required by this Agreement, including the Assignment of Membership Interests, and any other agreement or certificate specifically identified as an Ancillary Agreement for purposes of this Agreement.

“Applicable Law” means any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute, treaty, license, permit, order, judgment, decree or injunction.

“Assignment of Membership Interests” means an Assignment of Membership Interests in the form attached hereto as Exhibit B between Buyer and Seller, pursuant to which Seller assigns and Buyer accepts the assignment of the Acquired Equity Interests.

“Business” means business of each of the Subsidiaries as now conducted, including the ownership and operation of each of the Stations.

“Business Day” means any day other than a Saturday, Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

“Contract” means any written or oral agreement, contract, lease and sublease, purchase order, arrangement, letter of credit, guarantee or binding commitment.

“Disclosure Schedules” means the disclosure schedules to this Agreement.

“Financing Agreement” means that certain Financing Agreement, dated as of October 1, 2015, by and among Seller, the Subsidiaries, the Lenders, the Collateral Agent (as defined in the Financing Agreement) and the Administrative Agent, as such agreement may be amended, restated, or otherwise modified from time to time.

“Financing Documents” shall have that meaning ascribed to the term “Loan Documents” in the Financing Agreement.

“GAAP” means United States generally accepted accounting principles consistently applied.

“Governmental Authority” means any national, federal, state, county, municipal or local government, foreign or domestic, or the government of any political subdivision thereof, or any entity, authority, agency, court, ministry or other similar body exercising executive, legislative, judicial, arbitral, regulatory or administrative authority or functions of or pertaining to government, including any authority or other quasi-governmental entity established to perform any of such functions.

“Holder” means the Holder as defined in the Operating Agreement.

“Investor” means the Persons identified as Investors on the signature pages to the Operating Agreement and such other Persons who may subsequently become Investors in accordance with the provisions of the Operating Agreement.

“Lenders” means the Lenders as defined in the Financing Agreement.

“Knowledge”, when used with respect to Seller, means the actual knowledge of Seller’s Managers.

“Lien” means any lien, charge, claim, pledge, security interest, conditional sale agreement or other title retention agreement, mortgage, security agreement, right of first refusal, right of first offer, judgment or other encumbrance affecting title (including the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction).

“Member” means each of the Investors and includes any Person admitted as an additional Member or a Substitute Member pursuant to the provisions of this Agreement, in such Person’s capacity as a member of Seller, and “Members” means two (2) or more of such Persons when acting in their capacity as members of Seller.

“Operating Agreement” means that certain Second Amended and Restated Operating Agreement of Seller, dated as of October 1, 2015, as amended, amended and restated or otherwise modified from time to time.

“Person” means an individual, corporation, partnership, association, limited liability company, trust, unincorporated organization, other entity or group (as group is defined in Section 13(d)(3) of the Securities Exchange Act of 1934) or any entity similar to any of the foregoing.

“Related Party” means any of the officers or directors of Seller, any affiliate, associate or relative of any of the foregoing, or any of their respective officers or directors.

“Substitute Member” means any Person (a) to whom a Holder (or assignee thereof) Transfers (as defined in the Operating Agreement) all or any part of its interest in Seller, and (b) which has been admitted to Seller as a Substitute Member pursuant to Section 7.5 of the Operating Agreement.

“Taxes” means any and all (a) federal, state, local and foreign taxes, customs, duties, levies and other governmental assessments, fees and charges of any kind whatsoever, including income, payroll, withholding, excise, sales, use, license, lease, personal and other property, use and occupancy, business and occupation, mercantile, real estate, gross receipts, employment, severance, stamp, premium, windfall profits, social security, unemployment, disability, unclaimed property, escheat, transfer, registration, value-added, alternative or add-on minimum, estimated, capital stock and franchise taxes, customs, duties and levies, (b) liability for interest, penalties and additions to tax with respect to items described in clause (a), and (c) liability for items described in clauses (a) and (b) of any other Person, whether by contract or express or implied agreement, pursuant to any Applicable Law, as a transferee or successor, or otherwise, in each case whether or not disputed (and “Tax” means any one of the foregoing Taxes).

“Wind Down Amount” means \$450,000 of cash held in the Wind Down Deposit Account at Closing.

“Wind Down Deposit Account” means account number 3267535403 maintained by Seller at Wells Fargo Bank.

1.2. **Usage.** In this Agreement, unless a clear and contrary intention appears:

- (a) the singular number includes the plural and vice versa;
- (b) “hereunder,” “hereof,” “hereto,” “hereby” and words of similar import are references to this Agreement as a whole and not to any particular section or other provision of this Agreement;

(c) any reference to an Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Applicable Law means that section or other provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(d) any reference to an agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with its terms and shall be deemed to refer also to all addenda, exhibits, schedules and amendments thereto;

(e) any reference to an “Article,” a “Section,” a “Schedule” or an “Exhibit” are references to that article hereof, that section hereof, that schedule attached hereto or that exhibit attached hereto, respectively;

(f) all exhibits and schedules attached hereto shall be deemed incorporated herein as if set forth in full herein;

(g) all accounting terms not defined in this Agreement shall have the meanings under GAAP;

(h) references to a Person are also to that Person’s permitted successors and assigns; and

(i) use of the words “include,” “includes” and “including” shall be interpreted to be followed by the phrase “without limitation.”

2. TRANSACTION

2.1. **Closing.** The closing of the transactions contemplated hereby (the “Closing”) shall take place at the offices of Reed Smith LLP, 1901 Avenue of the Stars, Los Angeles, CA 90067 on or before the tenth business day after the date of the FCC Consent (defined below) pursuant to the FCC’s initial order, or at such other place, time or date as Buyer and Seller may agree in writing (such time and date being referred to herein as the “Closing Date”), in any case subject to the satisfaction or waiver of the conditions set forth in Section 2.5. For financial accounting and Tax purposes, to the extent permitted by Applicable Law, the Closing shall be deemed to have become effective as of 12:01 a.m. Eastern Time on the Closing Date.

2.2. **Sale and Purchase of the Equity Interests.** Subject to the other terms and conditions of this Agreement, at Closing, Seller shall sell, assign, transfer and convey the Acquired Equity Interests (as set forth on Schedule 2.2) to Buyer, and Buyer shall purchase and/or accept the Acquired Equity Interests and all rights, title and interest thereof, from Seller, free and clear of all Liens.

2.3. **Purchase Price.** The aggregate purchase price for the Acquired Equity Interests shall consist of Buyer's payment of \$5,000,000 United States dollars to Seller at Closing (the "Purchase Price").

2.4. **FCC Consent.** Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the transfer of control of the Subsidiaries. FCC consent to the FCC Application pursuant to the FCC's initial order without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent." Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

2.5. **Closing Conditions.**

(a) **Seller Closing Conditions.** The obligations of Seller to effect the Closing and to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or, if permitted by Applicable Law, waiver in writing by Seller) of the following further conditions:

(i) **Representations and Covenants.** The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement. The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in this Section have been satisfied.

(ii) **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(iii) **FCC Consent.** The FCC Consent shall have been obtained.

(iv) **Deliveries.** Buyer shall have complied with its obligations set forth in Section 2.6(a).

(b) **Buyer Closing Conditions.** The obligations of Buyer to effect the Closing and to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or, if permitted by Applicable Law, waiver in writing by Buyer) of the following further conditions:

(i) **Representations and Covenants.** The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement. The covenants and agreements to be complied with and performed by Seller at or prior to Closing

shall have been complied with or performed in all material respects. Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in this Section have been satisfied.

(ii) **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(iii) **FCC Consent.** The FCC Consent shall have been obtained.

(iv) **Deliveries.** Seller shall have complied with its obligations set forth in Section 2.6(b).

2.6. **Closing Deliveries.**

(a) **Deliveries by Buyer.** At the Closing, Buyer shall deliver or cause to be delivered the following to Seller or for Seller's account:

(1) the Ancillary Agreements to which Buyer is a party, duly executed by Buyer, including the Assignment of Membership Interests;

(2) the Purchase Price in immediately available funds wired to the account or accounts specified in a payoff letter executed by Seller, Administrative Agent and Collateral Agent (as defined in the Financing Agreement), which payoff letter will provide that payment of the Purchase Price in accordance with the terms of such payoff letter shall constitute payment or satisfaction in full of all indebtedness, liabilities and other obligations owing under the Financing Documents; and

(3) such other agreements, certificates and documents as may be reasonably requested by Seller.

(b) **Deliveries by Seller.** At the Closing, Seller shall deliver or cause to be delivered the following to Buyer:

(1) a certificate executed by an officer of Seller, dated the Closing Date, attaching certified copies of the resolutions of Seller's board of managers and Members approving this Agreement and the transactions contemplated hereby (including identifying the officers or other Persons authorized to sign on behalf of Seller, and including consent to the transfer of the Acquired Equity Interests to Buyer and the admission of Buyer as sole member of the Subsidiaries);

(2) statements pursuant to Section 1.1445-2(b) of the Treasury Regulations, certifying that Seller is not a foreign Person;

(3) the Ancillary Agreements to which Seller is a party, each duly executed by Seller, including the Assignment of Membership Interests;

(4) customary releases and terminations of all Liens under the Financing Documents, together with the payoff letter described in Section 2.6(a)(2);

(5) the minute books and all other corporate records of the Subsidiaries;

(6) certificates of good standing for each of Seller and the Subsidiaries and certified charter documents and operating agreements of each of the Subsidiaries, together with resignations of officers and managers of each of the Subsidiaries (except as may be otherwise instructed by Buyer prior to the Closing); and

(7) such other agreements, certificates and documents as may be reasonably requested by Buyer.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

3.1. **Organization; Authority.** Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller has all requisite limited liability company power and authority to own or lease its properties and assets as now owned or leased, and to enter into this Agreement, and perform its obligations hereunder. The execution, delivery and performance of this Agreement by Seller have been duly authorized by all necessary limited liability company action on the part of Seller, including any required Member approval of Seller. This Agreement has been duly executed and delivered by Seller, and this Agreement and the Ancillary Agreements to which Seller is a party, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms, except as may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other Applicable Laws (whether statutory, regulatory or decisional), now or hereafter in effect, relating to or affecting the rights of creditors generally or any limitations of equitable principles relating to enforceability (regardless of whether considered in a proceeding at law or in equity). No Member of Seller is entitled to or eligible to exercise appraisal or dissenters' rights in connection with the transactions contemplated by this Agreement.

3.2. **Capitalization and Ownership.** Seller owns all right, title and interest (legal and beneficial) in the Acquired Equity Interests, free and clear of all Liens (other than any restrictions on transfer of securities arising under any applicable federal, state or non-U.S. securities laws). The Acquired Equity Interests are duly authorized, validly issued, fully paid, non-assessable, free of preemptive or any other third party rights and were not issued in violation of the terms of any agreement or other understanding binding upon Seller or any Subsidiary, and are free and clear of all Liens. The capitalization schedule attached as Schedule 3.2 accurately sets forth the authorized, issued and outstanding equity interests of the Subsidiaries. Seller owns 100% of the equity interests of each Subsidiary. Seller has the full power and authority to sell, transfer, convey, assign and deliver to Buyer the Acquired Equity Interests being sold to Buyer, and upon delivery and payment for such Acquired Equity Interests at the Closing, Buyer shall

acquire valid and unencumbered title to such Acquired Equity Interests, free and clear of all Liens. There are no outstanding subscriptions, options, warrants, calls, commitments, conversion or exchange rights, plans or other agreements providing for the purchase, issuance or sale of any interest in the Subsidiaries. There are no equity appreciation, phantom equity, profit participation, or similar rights with respect to the Subsidiaries or the Acquired Equity Interests. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting or transfer of any of the Acquired Equity Interests. The Acquired Equity Interests constitute all of the equity, debt, convertible securities, options, warrants or other similar interests in the Subsidiaries, and upon consummation of the Closing Buyer shall own all of the outstanding limited liability company interests of each Subsidiary. The Acquired Equity Interests are not certificated.

3.3. **Subsidiaries.**

(a) Each Subsidiary is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization (to the extent such jurisdiction recognizes such concepts) and has the requisite corporate power and authority to own its property and conduct its business as currently conducted. All of the issued and outstanding equity interests of each Subsidiary are owned directly or indirectly by the Seller, free and clear of all Liens (other than any restrictions on transfer of securities arising under any applicable federal, state or non-U.S. securities laws), and are duly authorized, validly issued, fully paid, non-assessable, free of preemptive or any other third party rights and were not issued in violation of the terms of any agreement or other understanding binding upon Seller or any Subsidiary. Seller has delivered to Buyer a complete and correct copy of the limited liability company agreements, articles of formation and any other organizational documents of each of the Subsidiaries. No Subsidiary has any subsidiaries.

(b) Each Subsidiary is qualified or otherwise authorized to act as a limited liability company and is in good standing under the Applicable Laws of every other jurisdiction in which such qualification or authorization is necessary under Applicable Law, except where the failure to be so qualified or otherwise authorized and in good standing would not have a material adverse effect on such Subsidiary. Other than the Acquired Equity Interests, there are no outstanding equity interests of any Subsidiary.

(c) The Subsidiaries hold, own or lease all right, title and interest in and to all assets used or held for use in the operation of the Stations and the Business, free and clear of Liens, and such assets constitute all assets necessary to conduct the Business.

3.4. **No Conflict.** Except as set forth on Schedule 3.4, the execution and delivery of this Agreement by Seller, the consummation of the transactions contemplated by this Agreement and the compliance with the terms, conditions and provisions of this Agreement by Seller do not, and will not, (a) contravene any provision of Seller's certificate of formation, limited liability company agreement or other organizational document, as applicable; (b) conflict with or result in a breach of or constitute a default (or an event that might, with the passage of time or the giving of notice or both, constitute a default) under, or result in a required consent under, any of the terms, conditions or provisions of any indenture, mortgage, loan or credit agreement or any other

Contract or instrument to which Seller or any Subsidiary is a party or by which Seller or any Subsidiary or any of their respective assets may be bound or affected, or any judgment or order of any Governmental Authority, or any Applicable Law, rule or regulation; (c) result in the creation or imposition of any Lien upon any of the assets of Seller, or give to others any interests or rights therein; (d) result in the maturation or acceleration of any liability or obligation of Seller or any Subsidiary (or give others the right to cause such a maturation or acceleration); (e) result in the termination of or loss of any right (or give others the right to cause such a termination or loss) under any Contract to which Seller or any Subsidiary is a party or by which Seller or any Subsidiary may be bound; or (f) except for the FCC Consent, require the consent, approval or authorization of, or registration or filing with, any Person, including any Governmental Authority or other regulatory agency, which has not been obtained.

3.5. **No Undisclosed Liabilities.** To Seller's knowledge, the Subsidiaries do not, individually or in the aggregate, have liabilities in excess of \$1,000,000, other than trade payables and other obligations incurred in the ordinary course of business in connection with the operation of the Business.

3.6. **Litigation.** Except as set forth in Schedule 3.6, there are no, and there have not been any, actions, claims, suits, reviews, arbitration, audits, investigations or proceedings pending or, to the Knowledge of Seller, threatened against or affecting Seller or any Subsidiary with respect to the Business or the Stations, at law or in equity, by or before any Governmental Authority or arbitral panel or mediator, and there is no, and there has not been any, basis for any such actions, claims, suits, reviews, arbitration, audits, investigations or proceedings. There are presently no outstanding judgments, decrees or orders of any Governmental Authority against or affecting Seller or the Subsidiaries with respect to the Business, the Stations or the Acquired Equity Interests. Seller and the Subsidiaries are in compliance in all material respects and have complied in all material respects with all laws, rules and regulations, including without limitation all FCC rules and regulations applicable to the operation of the Stations or the Business, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Stations or the Business.

3.7. **Transactions with Related Parties.** Except as set forth on Schedule 3.7, to the Knowledge of Seller, no Related Party has any contractual or other claim, express or implied, of any kind whatsoever against Seller or the Subsidiaries, has any interest in any property or assets used by Seller or the Subsidiaries, or has been engaged in any other transaction with Seller or the Subsidiaries.

3.8. **Taxes.** Seller and the Subsidiaries have filed all federal, state, and local income, excise, property, sales, use, franchise, withholding and other Tax returns and reports which are required to have been filed by them under Applicable Law, have paid all Taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable and all such returns and reports are accurate and complete in all material respects. Seller has not been advised that any of its or the Subsidiaries' Tax returns have been or are being audited. Neither Seller nor any Subsidiary is party to any sharing agreement, time extension agreement, statute of limitations waiver or other agreement, waiver or extension relating to Taxes. Neither Seller nor any Subsidiary is liable for Taxes of any other Person.

3.9. **FCC Licenses.** The Subsidiaries are the holders of the FCC licenses and authorizations described on Schedule 3.9 (the “FCC Licenses”), which are all of the licenses, permits and authorizations required for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller’s knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or against Seller or the Subsidiaries with respect to the Stations that could result in any such action. The Stations are operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the “Communications Act”) and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with the FCC by Seller or the Subsidiaries with respect to the Stations have been timely filed, and all such reports and filings are accurate and complete in all material respects.

3.10. **Brokers.** Neither Seller nor any Related Party thereof has made any agreement or taken any other action that might cause anyone to become entitled to a broker’s fee or commission as a result of the transactions contemplated hereby.

4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1. **Organization; Authority.** Buyer is a limited liability company duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite limited liability company power and authority to enter into this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and, this Agreement and the Ancillary Agreements to which it is a party, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the legal, valid and binding obligations of Buyer, enforceable in accordance with their respective terms, except as may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other Applicable Laws (whether statutory, regulatory or decisional), now or hereafter in effect, relating to or affecting the rights of creditors generally or any limitations of equitable principles relating to enforceability (regardless of whether considered in a proceeding at law or in equity).

4.2. **No Conflict.** The execution and delivery of this Agreement by Buyer, the consummation of the transactions contemplated by this Agreement and the compliance with the terms, conditions and provisions of this Agreement by Buyer do not, and will not, (a) contravene any provision of Buyer’s limited liability company agreement, (b) conflict with or result in a breach of or constitute a default (or an event that might, with the passage of time or the giving of notice or both, constitute a default) under, or result in a required consent under, any of the terms, conditions or provisions of any indenture, mortgage, loan or credit agreement or any other

Contract or instrument to which Buyer is a party or by which Buyer or any of its assets may be bound or affected, or any judgment or order of any Governmental Authority, or any Applicable Law, rule or regulation or (c) except for the FCC Consent, require the consent, approval or authorization of, or registration or filing with, any Person, including any Governmental Authority or other regulatory agency, which has not been obtained.

4.3. **Qualification.** Buyer is qualified under the Communications Act and the existing rules, regulations and policies of the FCC to control the FCC Licenses.

4.4. **Brokers.** None of Buyer, any of Buyer's affiliates or any Person acting on behalf of Buyer or any of its affiliates has made any agreement or taken any other action that might cause anyone to become entitled to a broker's fee or commission as a result of the transactions contemplated hereby.

5. COVENANTS OF SELLER AND BUYER

5.1. **Confidentiality.** Except for information about the Stations and the Subsidiaries acquired by Buyer at Closing and except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC, Buyer and Seller shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement. If the transaction contemplated hereby is not consummated for any reason, Buyer and Seller shall return to each other or destroy, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

5.2. Further Assurances.

(a) At any time or from time to time after the Closing, Buyer shall, at the request of Seller, execute and deliver any further instruments or documents and take all such further action as Seller may reasonably request in order to evidence the consummation of the transactions contemplated hereby. At any time or from time to time after the Closing, Seller shall, at the request of Buyer, execute and deliver any further instruments or documents and take all such further action as Buyer may reasonably request in order to evidence the consummation of the transactions contemplated hereby, and shall assist Buyer in taking any actions reasonably requested by Buyer to ensure Buyer has full access to the Business as of and following the Closing, in each case subject to any restrictions imposed by Applicable Law.

(b) Seller and Buyer covenant to reasonably cooperate to ensure that each party realizes the economic benefits intended by this Agreement. Without limiting the foregoing, after the Closing, Seller shall use commercially reasonable efforts to assist Buyer in obtaining any required consent, approval or authorization of, and in making of any required registration or filing with, any Person, including any Governmental Authority or other regulatory agency, which has not been obtained or made prior to the Closing Date. Prior to and after Closing, Seller and Buyer shall use commercially reasonable efforts to obtain any third party consents under any

Station or Business contract, lease or agreement related to the transfer of control of the Subsidiaries.

5.3. **Wind Down.** Seller may use the Wind Down Amount to pay for bona fide wind down expenses, so long as any such amounts are not paid to Members or any of their affiliates. Notwithstanding anything to the contrary, it is understood and agreed that the Wind Down Amount shall serve exclusively as a source for repayment of fees, expenses and/or claims owed to third parties (and not Buyer or any of its affiliates) by Seller in connection with its wind down.

5.4. **Control.** Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller.

5.5. **Pre-Closing Operations.** Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall or shall cause the Subsidiaries to: (i) operate the Stations and the Business in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other Applicable Laws, keep the Subsidiaries' books, accounts and records in the ordinary course and use its commercially reasonable efforts to preserve the Business; (ii) not modify, and in all material respects maintain in full force and effect, the FCC Licenses; (iii) not (1) sell, lease or dispose of or agree to sell, lease or dispose of the Acquired Equity Interests, (2) sell, lease or dispose of or agree to sell, lease or dispose of any of the assets of the Business or the Stations unless replaced with similar items of substantially equal or greater value and utility, (3) create, assume or permit to exist any Liens upon the Acquired Equity Interests; (4) permit the Subsidiaries to issue or redeem any membership interests or rights with respect thereto or modify their articles of formation of limited liability company agreements or (5) incur or increase any indebtedness or liabilities of the Subsidiaries; and (iv) upon reasonable notice, give Buyer and its representatives reasonable access to the Stations' and the Business' assets, and furnish Buyer with information relating to the Stations' and the Business' assets, the Subsidiaries and the Acquired Equity Interests that Buyer may reasonably request.

6. "AS IS" TRANSACTION.

6.1. **Buyer's Acknowledgements; Survival.** Buyer hereby acknowledges and agrees that, subject only to the representations and warranties of Seller provided in Section 3 and in the Ancillary Agreements, Seller makes no representations or warranties whatsoever, express or implied, regarding the Acquired Equity Interests or the Subsidiaries. Except for the representations and warranties of Seller provided in Section 3, Buyer has not relied upon any other representations or warranties made by or on behalf of Seller, their affiliates or any of their agents or representatives. The representations and warranties, and covenants and agreements (to the extent contemplating or requiring performance prior to the Closing), shall survive the Closing for twelve (12) months and shall terminate on the twelve (12) month anniversary of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement or detrimental reliance or other right or remedy (whether in contract, in tort or at law or in equity) may be brought after the Closing with respect thereto against Seller.

6.2. **Limited Recourse.** No past, present or future stockholder, member, director, manager, officer, employee, or incorporator of Seller or Buyer shall have any personal liability for any obligation or liability of Seller or Buyer, as the case may be, under this Agreement or any Ancillary Agreement or for any claim, counter-claim, cause of action or demand based on, in respect of, or by reason of any of the representations or warranties made by Seller in Section 3 or any of the representations or warranties made by Buyer in Section 4.

7. MISCELLANEOUS

7.1. **Payment of Expenses.** At Closing, Seller will reimburse Buyer's reasonable legal and due diligence fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including (1) fees and expenses incurred in connection with the Financing Agreement to be entered to prior to Closing by Buyer, the Subsidiaries, the Lenders and the Collateral Agent (the "**New Financing Agreement**") and (2) all costs and expenses of the Lenders and the Collateral Agent in connection with the negotiation, preparation, execution, delivery of the New Financing Agreement and the Loan Documents (as defined in the New Financing Agreement) that are payable by Buyer pursuant to Section 12.04 of the New Financing Agreement. Subject to the foregoing, each party hereby agrees to pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the transactions contemplated hereby. Notwithstanding anything herein to the contrary, the FCC filing fee for the FCC Application and all transfer, documentary, sales, use, stamp, registration and other similar transfer Taxes, and all conveyance fees and charges, incurred in connection with the consummation of the sale and transfer of the Acquired Equity Interests to Buyer as contemplated by this Agreement, shall be paid by Seller. Seller and Buyer agree to reasonably cooperate with each other with respect to any lawful procedures that may reduce or eliminate such Taxes.

7.2. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered if delivered personally (including by courier); (b) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); (c) on the Business Day after delivery to a nationally recognized overnight delivery service if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of delivery; (d) upon receipt of a confirmed transmission, if sent by facsimile transmission, or (e) upon transmission, if sent by electronic mail, in each case to the parties at the following addresses or to other such addresses as may be furnished by one party to the others in accordance with this Section 7.2:

(a) if to Buyer, then sent to:

LM II Holdings, LLC
c/o Loop Media, LLC
5670 Wilshire Blvd # 1620
Los Angeles, CA 90036
Attention: Paul Koplin
Facsimile: []
Email: koplin@loop.com

with a copy to (which shall not constitute notice or service of process hereunder):

Reed Smith LLP
1901 Avenue of the Stars, Suite 700
Los Angeles, CA 90067
Attention: Ramsey Hanna
Facsimile: (310) 734-5299
Email: rhanna@reedsmith.com

(b) if to Seller, then sent to:

Local Media TV Holdings, LLC
c/o Loop Media, LLC
5670 Wilshire Blvd # 1620
Los Angeles, CA 90036
Attention: Paul Koplin
Facsimile: []
Email: koplina@loop.com

with a copy to (which shall not constitute notice or service of process hereunder):

Hogan Lovells US LLP
Park Place II, Ninth Floor
7930 Jones Branch Drive
McLean, VA 22102
Attention: Carine S. Stoick
Facsimile: (703) 610-6215
Email: carine.stoick@hoganlovells.com

7.3. **Assignment.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the written consent of the other parties hereto, except that Buyer may assign its rights hereunder to a purchaser of substantially all of its assets, capital stock or business, and Buyer or any such assignee may make a collateral assignment of its rights (but not its obligations) under this Agreement to any lender providing financing to Buyer or such assignee. Notwithstanding anything to the contrary herein, in no event shall any assignment by Buyer in accordance with this Section 7.3 relieve Buyer of any of its obligations hereunder.

7.4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to agreements made and to be performed entirely within the State of Delaware, without regard to the conflicts of laws principles thereof.

7.5. **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (A) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

7.6. **No Third-Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to or shall (a) confer on any Person other than the parties hereto and their respective successors or permitted assigns any rights (including third-party beneficiary rights), remedies, obligations or liabilities under or by reason of this Agreement, or (b) constitute the parties hereto as partners or as participants in a joint venture. This Agreement shall not provide third parties with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to the terms of this Agreement.

7.7. **Amendment and Waiver.** The parties may by mutual agreement amend this Agreement in any respect, and any party, as to such party, may (a) extend the time for the performance of any of the obligations of the other party, (b) waive any inaccuracies in representations by the other party and (c) waive compliance by the other party with any of the agreements contained herein and performance of any obligations by such other party. To be effective, any such amendment or waiver must be in writing and be signed by the party against whom enforcement of the same is sought.

7.8. **Entire Agreement.** This Agreement (including the Disclosure Schedules and Exhibits) and any other Ancillary Agreements expressly required to be delivered hereunder, sets forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written.

7.9. **Public Announcements.** No party to this Agreement shall issue any press release relating to, or otherwise publicly disclose, the transactions contemplated by this Agreement without the prior approval of the other parties. Notwithstanding the foregoing, any party may make such disclosure pursuant to Applicable Law, provided the disclosing party obtains from the other party prior approval of the substance of the proposed disclosure (such as the content of a proposed press release), which approval may not be unreasonably withheld, conditioned or delayed.

7.10. **Termination.** Subject to Section 7.11, this Agreement may be terminated prior to Closing as follows:

(a) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);

(b) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; or

(c) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date nine (9) months after the date of this Agreement.

Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term “Cure Period” as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 2.1.

7.11. **Effect of Termination.** Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 5.1 (Confidentiality), 7.1 (No Survival; Certain Waivers), 7.2 (Payment of Expenses) and 7.9 (Public Announcements) shall survive any termination of this Agreement.

7.12. **Specific Performance.** In the event of a breach or threatened breach by either Seller or Buyer of any representation, warranty, covenant or agreement under this Agreement, at the other party’s election, in addition to any other remedy available to it, such other party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

7.13. **Severability.** If any term or provision of this Agreement or the application thereof to any Person or circumstance shall, to any extent, be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement or the application of any such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, scope, activity or subject, it shall be construed by limiting and reducing it, so as to be valid and

enforceable to the extent compatible with the Applicable Law or the determination by a court of competent jurisdiction.

7.14. **Captions; Construction.** The Section and paragraph captions herein, and Schedule titles, are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Each party acknowledges and agrees that it has been represented by competent legal counsel and has contributed to the drafting of this Agreement, and the rule of construction that ambiguities in contracts be construed against the draftsman shall not be applicable to this Agreement.

7.15. **Counterparts.** This Agreement may be executed in the original or by facsimile in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

LM II HOLDINGS LLC

By: 
Name: Paul Koplin
Title: Manager

LOCAL MEDIA TV HOLDINGS, LLC

By: 
Name: Lawrence Rogow
Title: Manager