

DESCRIPTION OF TRANSACTION AND AGREEMENTS

Through its indirect wholly-owned license subsidiaries WBLS-WLIB License LLC and Emmis License Corporation of New York (collectively the “Assignors”), respectively, Emmis Communications Corporation (“Emmis”) owns the FCC licenses of radio stations WBLS(FM) and WQHT(FM), New York, New York (collectively the “Stations”). This is one of two concurrently-filed FCC Form 314 applications (the “Applications”) which collectively seek Commission consent to the assignment of the Stations’ licenses from the respective Assignors to wholly-owned subsidiaries of Mediaco Holdings Inc. (each, an “Assignee”). Below is a description of the transaction and an overview of the agreements, exhibits and schedules being submitted with the Applications.

Description of the Transaction

The Assignee will be a wholly-owned subsidiary of Mediaco Holdings Inc. (“Mediaco”), a newly-formed Indiana corporation. Immediately prior to the consummation of the subject transaction, Mediaco will be a wholly-owned subsidiary of Emmis. The subject transaction will be accomplished through the following steps, to be accomplished concurrently or immediately sequentially at a same-day closing:

1. Emmis and its applicable subsidiaries will contribute the FCC Licenses of the Stations to the applicable Assignee (and will concurrently contribute the related tangible and other assets of the Stations to Mediaco) (the “Contribution”).
2. In consideration for the Contribution, Mediaco will pay certain cash and promissory note consideration to Emmis, and Emmis will receive Class A common stock of Mediaco which, upon completion of all closing steps, will represent 23.72% of Mediaco’s equity and 3.02% of Mediaco’s voting power.¹
3. Simultaneously with the Contribution, SG Broadcasting LLC (“SGB”), an entity controlled by Soohyung Kim, will purchase Class B common stock of Mediaco which, upon completion of all closing steps, will represent 76.28% of Mediaco’s equity and 96.98% of Mediaco’s voting power.
4. Immediately following the Contribution, Emmis will distribute Mediaco’s Class A common stock to Emmis’s shareholders on a *pro rata* basis.

¹ The equity and voting percentages are disparate because Mediaco’s Class A common stock will be entitled to one (1) vote per share while its Class B common stock will be entitled to ten (10) votes per share. Notwithstanding this, Emmis shareholders, as holders of the Mediaco Class A common stock, will be entitled to elect three of the company’s seven directors and SGB, as holder of the Class B common stock, will be entitled to elect four directors.

Upon completion of the closing steps described above, the vertical ownership structure of the Assignees will be as depicted in Attachment A hereto:

- The Assignees will be wholly-owned subsidiaries of Mediaco and collectively hold the Stations' FCC licenses.
- SGB will hold Mediaco's Class B common stock, representing 96.98% of the company's voting power and 76.28% of its equity.
- Mediaco's Class A common stock, representing the remaining 3.02% of the company's voting power and 23.72% of its equity, will be widely held by Emmis shareholders. No Emmis shareholder will have an attributable stock interest in Mediaco.

Agreements Governing the Transaction

The agreement governing the subject transaction is a Contribution and Distribution Agreement dated June 28, 2019 (the "C&D Agreement"). A copy of the C&D Agreement is attached in Exhibit 5 of this application, together with the following Exhibits to the agreement and related documents:

- Exhibit A – a form of unsecured promissory note, to be executed at closing, that will be part of the consideration for the Contribution.
- Exhibit B – the Amended and Restated Articles of Incorporation of Mediaco that will become effective at closing.
- Exhibit C – a form of Employee Leasing Agreement, to be signed at closing, pursuant to which an Emmis subsidiary will lease to Mediaco certain existing employees of the Stations to perform services in the post-closing operation of the Stations at Mediaco's direction.
- Exhibit D – a form of Management Agreement, to be signed at closing, pursuant to which an Emmis subsidiary will provide management services to the Stations after closing (subject in all respects to the ultimate authority of Mediaco).
- Exhibit F – a form of Local Marketing Agreement, to be signed at closing, whereby the Assignee of Station WQHT(FM) will agree to broadcast the programming of WLIB(AM), a New York station that Emmis will continue to control, on the HD-2 stream of WQHT(FM).
- Exhibit G – forms of Shared Services Agreements, to be signed at closing, relating to the sharing of office and studio space, equipment and related services between the Stations and certain radio stations that Emmis will continue to control in the New York market.

- A form of Antenna Site Agreement, to be signed at closing, pursuant to which an Emmis subsidiary will license to Mediacom tower space for an auxiliary antenna for Station WBLS(FM).

Excluded Schedules

The disclosure schedules to the C&D Agreement are not being provided with the Applications. These schedules are:

- Schedule 2.1(b)(i) – FCC Licenses
- Schedule 2.1(b)(ii) – Personal Property
- Schedule 2.1(b)(iii) – Real Estate Leases
- Schedule 2.1(b)(iv) – Assumed Contracts
- Schedule 2.1(b)(v) – Station Intellectual Property
- Schedule 2.1(c)(x) – Non-transferable Computer Software
- Schedule 2.1(c)(xi) – Excluded Assets
- Schedule 2.6 – Shared Contracts
- Schedule 4.2(d) – Third Party Landlord Consents
- Schedule 5.3 – Capitalization of Mediacom
- Schedule 5.4 – Subsidiaries
- Schedule 5.6 – Conflicts in the Material Assumed Contracts
- Schedule 5.7 – Litigation
- Schedule 5.8 – FCC Licenses
- Schedule 5.9 – Sufficiency of Assets
- Schedule 5.9(b) – Permitted Encumbrances
- Schedule 5.9(c) – Overhead and Shared Services
- Schedule 5.10(a) – Real Property
- Schedule 5.12 – Compliance with Laws
- Schedule 5.14(b) – Emmis Tax Basis Estimate
- Schedule 5.16(b) – Broker’s Fees; Transaction Bonuses
- Schedule 5.21(a) – Station Plans
- Schedule 5.21(d) – Qualified Plans
- Schedule 5.21(l) – Multiemployer Plans
- Schedule 5.23 – Claims Against Third Parties
- Schedule 5.24 – Station Intellectual Property
- Schedule 9.16 – Guaranties
- Schedule 12.1 – Station Employees

The excluded schedules listed above contain proprietary information, are not germane to the Commission’s consideration of this application, or duplicate information already included in the application or in the possession of the Commission.² Copies of these schedules will be provided to the Commission upon request, subject to the right of the parties to ask that the material

² See *LUI, Inc. and Long Nine, Inc.*, Memorandum Opinion and Order, 17 FCC Rcd 16980 (2002).

submitted be held in confidence and not be made available for public inspection pursuant to applicable rules and policies of the Commission that restrict public access to confidential and proprietary information.

ATTACHMENT A

Post-Closing Ownership Chart

Post-Consummation Ownership Structure
Mediaco Holdings Inc.

