IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	
	:	**Chapter 11**
	:	
LBI MEDIA, INC., ***et al.***	:	**Case No. 18–12655 (CSS)**
	:	
Debtors.[1]	:	**(Jointly Administered)**
	:	
	:	**Objection Deadline: Feb. 13, 2019 at 4:00 p.m. (ET)**
	:	**Hearing Date: Feb. 25, 2019 at 10:00 a.m. (ET)**

DEBTORS' MOTION PURSUANT TO
11 U.S.C. §§ 362 AND 105 TO ENFORCE THE AUTOMATIC STAY

LBI Media, Inc. ("**LBI Media**") and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the "**Debtors**" or "**LBI**"), hereby move for an order, substantially in the form attached hereto as **Exhibit A** (the "**Proposed Order**"), enforcing the automatic stay against the ad hoc group of second lien noteholders appearing in these cases (the "**Junior Noteholder Group**") and U.S. Bank National Association, in its capacity as indenture trustee under the Second Lien Indenture (the "**Second Lien Trustee**", and collectively with the Junior Noteholder Group, the "**Junior Notes Parties**"), and respectfully represent as follows:[2]

[1]The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors' mailing address is 1845 West Empire Avenue, Burbank, California 91504.

[2] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Disclosure Statement, the Derivative Standing Motion, or the Intercreditor Agreement (each as defined herein), as applicable.

Preliminary Statement

1. The Junior Notes Parties are bound by an Intercreditor Agreement that restricts their ability to interfere with the Debtors' prosecution of these Chapter 11 Cases. The Intercreditor Agreement was entered into between sophisticated parties and it represents a valuable property right that belongs to the Debtors' estates and is intended to foster the efficient and reliable administration of restructuring proceedings. Any breach of the Debtors' contract rights under the Intercreditor Agreement is a violation of the automatic stay. Yet, since LBI filed for chapter 11 protection, the Junior Notes Parties have repeatedly violated the Intercreditor Agreement and informed the Court and parties in interest of their intention to continue to do so.[3]

2. The Debtors have met and conferred with the Junior Noteholder Group regarding discovery. As stated at the disclosure statement hearing, the Debtors intend to enforce their contractual rights under the Intercreditor Agreement. Accordingly, as previewed, the Debtors file this Motion to enforce those rights and propose two alternative procedural paths forward for the Debtors, the Junior Noteholder Group, the official committee of unsecured creditors (the "**Creditors' Committee**"), and other stakeholders in these Chapter 11 Cases at the direction of the Court: (1) the Court could conduct a hearing to enforce the Intercreditor Agreement and the automatic stay now and avoid costly litigation with the Junior Noteholder Group; or (2) have this Motion heard as a *motion in limine* before the Confirmation Hearing or as part of the Confirmation Hearing. The Debtors are amenable to proceeding in either fashion, but wish for the record to be clear on their intent: if the Court chooses the latter procedural path, the Debtors wish to put the Junior Noteholder Group on formal notice that the Debtors intend to seek all

[3] The Junior Notes Parties have implied that they are not bound by the Intercreditor Agreement. Notwithstanding that such position is meritless, unless and until the Junior Notes Parties ask and obtain a holding from the Court that they are not so bound, the Junior Notes Parties do not have the ability to violate the Debtors' property rights. All such rights have been expressly reserved in all pleadings in the Chapter 11 Cases filed or agreed to by the Debtors.

available remedies should they prevail, including the contractual right to recover attorneys' costs and fees, as well as punitive damages.[4]

3. The Junior Noteholder Group purchased and holds *junior debt*. Indeed, since long before the commencement of these Chapter 11 Cases, and since it made its decision to invest in the Debtors, the Junior Noteholder Group has been well aware that, pursuant to the Second Lien Notes Indenture and the Intercreditor Agreement, the Second Lien Notes it acquired are subordinate to the First Lien Notes in all respects. Notably, the Second Lien Notes Indenture and the Intercreditor Agreement were dated and agreed to in 2014, over three (3) years before the May 2018 financing. The Second Lien Notes Indenture provides for payment and lien subordination of the Second Lien Notes, and the Intercreditor Agreement unequivocally also prohibits the Junior Notes Parties from taking specific actions that disrupt the orderly process of this bankruptcy proceeding or that seek to alter their position as junior noteholders *vis a vis* the First Lien Noteholders, including: (i) objecting to any use of cash collateral or debtor-in-possession financing ("**DIP Financing**"); (ii) seeking relief from the automatic stay; (iii) challenging any claim by the First Lien Noteholders for a make-whole; (iv) challenging the validity, perfection, priority, extent or enforceability of the liens securing the First Lien Noteholders' claims; (v) commencing litigation in respect of the Second Lien Notes Claims; and (vi) raising certain prohibited objections to the Plan and Disclosure Statement.

4. In their effort to undermine and derail LBI's restructuring process, the Junior Notes Parties have chosen to blatantly disregard the binding Intercreditor Agreement and the automatic stay. The state court actions filed prior to the commencement of these Chapter 11 Cases were brought in violation of the Intercreditor Agreement's prohibition on initiating

[4] *See* 11 U.S.C. § 362(k).

proceedings in respect of the Second Lien Note Claims. Thereafter, during the first month of the Chapter 11 Cases, the Junior Noteholder Group violated the Intercreditor Agreement on multiple occasions, including by objecting to the Debtors' DIP Financing and by seeking relief from the automatic stay.

5. More recently, the Junior Noteholder Group commenced an adversary proceeding[5] (the "**Adversary Proceeding**") asserting claims premised on the same set of facts as in the New York state court prior to the Petition Date. Although the Junior Noteholder Group labels the claims asserted in the Adversary Complaint as "direct," a number of these claims are, in fact, derivative claims that belong to the Debtors' estates and the pursuit of which is prohibited by the automatic stay, including claims for breach of fiduciary duty. Further, the Adversary Proceeding violates the Intercreditor Agreement because it is a proceeding in respect of the Second Lien Notes Claims, challenges the make-whole, and seeks equitable subordination of the First Lien Notes Claims.

6. On the same day that it filed the Adversary Complaint, the Junior Noteholder Group filed a motion seeking standing to pursue in this Court certain additional causes of action it previously asserted in state court [D.I. 334] (the "**Derivative Standing Motion**"). Certain of the claims that the Junior Noteholder Group seeks to pursue derivatively – including claims challenging the First Lien Noteholders' make-whole – are unequivocally prohibited by the Intercreditor Agreement.

7. All indications are that the Junior Noteholder Group does not intend to honor the Intercreditor Agreement going forward. The Junior Noteholder Group has made it clear that it plans to object to confirmation of the Debtors' Plan. Hindering confirmation of the Plan, which

[5] *See In re Caspian Select Credit Master Fund, Ltd. v. LBI Media, Inc.*, Adv. Proc. No. 19-50007-CSS (Bankr. D. Del. Jan. 15, 2019), D.I. 1 (the "**Adversary Complaint**").

contemplates the disposition of the First Lien Noteholders' collateral, is a violation of the Intercreditor Agreement.

8. The Junior Noteholder Group's *modus operandi* is clear: it is trying to cause these Chapter 11 Cases to devolve into a costly and protracted litigation war of attrition. This approach is value destructive and benefits no one, including the Junior Noteholder Group. Moreover, the Debtors have incurred – and will continue to incur – significant and unnecessary costs responding to actions taken by the Junior Notes Parties, and stand to bear the burden of the First Lien Noteholders' defense costs.

9. The Confirmation Hearing is scheduled for March 25, 2019. The Debtors are targeting a second quarter emergence from chapter 11 on a timeline that is supported by Creditors' Committee and certain of the Debtors' largest creditors. The Court should not permit the Junior Notes Parties to create chaos – in violation of both their own bargained-for agreement and the Bankruptcy Code – to derail the Debtors' progress.

10. The Junior Noteholder Group represented to the Court that it will seek significant discovery in connection with Plan confirmation, the Derivative Standing Motion, and the Adversary Complaint.[6] Broad discovery efforts by the Junior Noteholder Group are already underway. However, the Intercreditor Agreement presents a threshold issue with respect to the permissibility of confirmation objections and prosecution of the Derivative Standing Motion and Adversary Proceeding. A ruling on the Motion in advance of the Confirmation Hearing will enable the Court and the parties to narrow the scope of issues to be considered at the

[6] *See* Hr'g Tr., Jan. 16, 2019 (the "**DS Hearing Transcript**") at 29:18-20 (MS. STRICKLAND: "My guess is we'll need to go later, not earlier, because we are going to have a lot of witnesses and a lot of discovery"); 42:21-23 (MS. STRICKLAND: "Your Honor, I assume with respect to just the discovery component of it, it's going to entail broad third-party discovery.").

Confirmation Hearing and the discovery attendant thereto, reducing the parties' collective costs.[7] Moreover, the Intercreditor Agreement obligates the members of the Junior Noteholder Group to reimburse the First Lien Noteholders for attorneys' fees incurred in connection with actions taken in violation of the Intercreditor Agreement. Accordingly, the Debtors reserve all rights to seek reimbursement for such costs, as well as damages for the Debtors' attorneys' fees from the Junior Noteholder Group incurred in connection therewith.

Jurisdiction and Venue

11. The Court has jurisdiction over the Debtors, their estates, and this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409. By appearing in these Chapter 11 Cases, the Junior Noteholder Group has submitted to the jurisdiction of this Court.

12. On December 30, 2018, the Junior Noteholder Group stipulated and agreed to consent to this Court's jurisdiction "over any claim against all or any members of the Junior Noteholder Group in connection with any actions related to the Intercreditor Agreement" [D.I. 265] (the "**Stipulation**"). The Stipulation was so-ordered by the Court on January 2, 2019 [D.I. 270].

[7] On January 23, 2019, the Junior Noteholder Group served the Debtors with an overreaching request for document production [D.I. 361], which demands production of documents and communications covering over 140 topics. The Junior Noteholder Group subsequently demanded depositions from the Debtors, their officers and directors, and their advisors [D.I. 398-400, 402-405, 407], as well as broad demands for the production of documents from the Debtors' current and former officers and directors [D.I. 361, 362, 363, 364, 385, 386, 388] and current and former advisors [D.I. 387, 389, 390], as well as HPS and its advisors [D.I. 361, 394] and other third parties [D.I. 382, 395, 396]. The cost and burden of complying with even a portion of the Junior Noteholder Group's demands will be substantial and costly to the Debtors' estate. A ruling on the Motion in advance of the Confirmation Hearing has the potential to drastically reduce the costs and burdens associated with the Junior Noteholder Group's overbearing discovery requests, and will benefit parties in interest in addition to the Debtors, and promote judicial economy.

13. Pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Debtors consent to the entry of a final order on this Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

Background

A. Case Background

14. On November 21, 2018 (the "**Petition Date**"), the Debtors each commenced with this Court a voluntary case under chapter 11 the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On December 6, 2018 the United States Trustee for the District of Delaware appointed the Creditors' Committee [D.I. No. 133]. No trustee or examiner has been appointed in these Chapter 11 Cases.

15. The Debtors' Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

16. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Brian Kei in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [D.I. 13] (the "**First Day Declaration**") and the Disclosure Statement (as defined below).

17. On January 15, 2019, the Debtors filed the *Second Amended Joint Chapter 11 Plan of Reorganization of LBI Media, Inc. and Its Affiliated Debtors* [D.I. 325] (the "**Plan**") and the accompanying disclosure statement [D.I. 326] (the "**Disclosure Statement**"). On January 9, 2019, the Junior Noteholder Group [D.I. 293] and Second Lien Trustee [D.I. 291] objected to the

approval of the Disclosure Statement (the "**Disclosure Statement Objections**"). By order dated January 22, 2019, the Court approved the Disclosure Statement [D.I. 360]. Having obtained approval of the Disclosure Statement, the Debtors are working diligently towards an expeditious emergence from chapter 11. The Confirmation Hearing is scheduled to commence on March 25, 2019.

18. On January 15, 2019, the Junior Noteholder Group commenced the Adversary Proceeding and filed the Derivative Standing Motion attaching a proposed amended complaint asserting, among other things, fraudulent transfer claims against the Debtors, Lenard Liberman (co-founder and CEO of LBI) ("**Liberman**") and HPS. The Court scheduled the Derivative Standing Motion to be heard at the Confirmation Hearing. The Court also ordered the Debtors and the Junior Noteholder Group to meet and confer (the "**Meet and Confer**") on a discovery and litigation timeline for the Confirmation Hearing and the Derivative Standing Motion. The Meet and Confer was held on January 21, 2019, at which the Debtors notified the Junior Noteholder Group that they would be filing this Motion and seeking the Court's direction regarding appropriate scheduling for the Motion.

B. The First Lien Notes and the Second Lien Notes

19. Certain of the Debtors are party to that certain First Lien Indenture, dated as of March 18, 2011, among LBI Media, as issuer, the Debtor Guarantors, and Wilmington Savings Fund Society, FSB, as indenture trustee. *See* First Day Declaration ¶ 36. Pursuant to the First Lien Notes Indenture, LBI Media issued the First Lien Notes, of which $233 million in principal amount, plus interest, fees, premiums, or other amounts due thereunder, was outstanding as of the Petition Date.

20. The same Debtors are party to that certain Second Lien Indenture among LBI Media, as issuer, the Debtor Guarantors, and the Second Lien Trustee, dated as of December 23,

2014. *See* First Day Declaration ¶ 37. Pursuant to the Second Lien Notes Indenture, the Debtors issued the Second Lien Notes, of which approximately $262 million in principal amount, plus interest, fees, premiums, or other amounts due thereunder, was outstanding as of the Petition Date.

21. Both the First Lien Notes and the Second Lien Notes are secured by liens over substantially all of the assets of LBI Media and the Debtor Guarantors (the "**Common Collateral**"). *Id.* ¶ 36. The First Lien Notes, however, are secured by first-priority liens (subject to certain permitted liens) over the Common Collateral. *Id.* ¶ 36. The Second Lien Notes are junior to the First Lien Notes, and are secured by second-priority liens (subject to certain permitted liens) over the Common Collateral. *Id.* ¶ 37. Pursuant to the Second Lien Notes Indenture, the Second Lien Notes are subordinated in right of payment to the prior payment in full of all Senior Debt (as defined in the Second Lien Notes Indenture), including, without limitation, the First Lien Notes. *See* Intercreditor Agreement § 13.01.

C. The Intercreditor Agreement

22. The relative rights of the parties and the priorities of the First Lien Noteholders and the Second Lien Noteholders (and their respective trustees) with respect to the Common Collateral are set forth in that certain Amended and Restated Intercreditor Agreement, dated as of December 23, 2014, by and among LBI Media, the Debtor Guarantors, Credit Suisse AG Cayman Islands Branch, in its capacity First Priority Lien Collateral Trustee, and U.S. Bank, in its capacity as Second Priority Collateral Agent (as amended, restated, or supplemented, the "**Intercreditor Agreement**"). A copy of the Intercreditor Agreement is annexed hereto as **Exhibit B**.

23. The Debtors are party to, and have the ability to enforce, the Intercreditor Agreement. *See* Intercreditor Agreement at 1. By its terms, the Intercreditor Agreement is

enforceable in these Chapter 11 Cases to the same extent that it was enforceable prepetition under applicable non-bankruptcy law. *See* 11 U.S.C. § 510(a); *see also* Intercreditor Agreement § 8.2 ("the provisions of [the Intercreditor Agreement] are intended to be and shall be enforceable as a 'subordination agreement' within the meaning of Section 510(a) of the Bankruptcy Code").

24. Pursuant to the Second Lien Notes Indenture, the Junior Noteholder Group, as purported holders of Second Lien Notes, are bound by the terms of the Intercreditor Agreement:

> ***Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents and the Priority Lien Intercreditor Agreement*** (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and directs the Trustee to enter into the Priority Lien Intercreditor Agreement and the other Security Documents and to perform its respective obligations and exercise its respective rights thereunder in accordance therewith.

Second Lien Notes Indentures § 10.03 (emphasis added).[8]

25. The Intercreditor Agreement provides for a series of bargained-for rights and obligations in favor of the Debtors' estates. The Intercreditor Agreement prospectively minimized the burden on the Debtors' estates by limiting the issues or matters which the Junior Notes Parties might challenge in a chapter 11 proceeding. To that end, the Intercreditor Agreement prohibits the Junior Notes Parties from taking certain actions with respect to the Common Collateral and the First Lien Notes. Subsections (a) – (f) discuss specific provisions of the Intercreditor Agreement that are directly relevant to this Motion.

[8] A copy of the Second Lien Notes Indenture is annexed hereto as **<u>Exhibit C</u>**.

(a) **Restriction on Seeking Relief from Automatic Stay.** First, the Intercreditor Agreement prohibits the Junior Notes Parties from seeking relief from the automatic stay in respect of the Debtors' assets that constitute Common Collateral:

> Until the Discharge of First Priority Claims has occurred, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any assets of any Grantor that constitute First Priority Lien Collateral without the prior written consent of the First Priority Lien Collateral Trustee and the holders of a majority of the First Priority Claims.

Intercreditor Agreement § 6.2.

(b) **Restriction on Objecting to First Lien Notes Claims.** Second, the Intercreditor Agreement prohibits the Junior Notes Parties from objecting to any claims made by the First Lien Noteholders for certain amounts owed under the First Lien Notes, including any prepayment premium, penalty, or make-whole amount:

> None of the Subordinated Lien Debt Representatives or any other Subordinated Lien Secured Party shall oppose or seek to challenge any claim by the First Priority Lien Collateral Trustee or any other First Priority Lien Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Priority Lien Obligations consisting of post-petition interest, fees or expenses, including, without limitation, any prepayment premium or penalty or make-whole amount.

Id. § 6.7(a).

(c) **Restriction on Contesting First Lien Notes Claims**. Third, the Intercreditor Agreement prohibits the Junior Notes Parties from contesting the validity or enforceability of the First Lien Noteholders' first priority lien on the Common Collateral, including in a bankruptcy proceeding:

> Each Subordinated Lien Debt Representative for itself and on behalf of each applicable Subordinated Lien Secured

> Party . . . agrees that ***it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, perfection, priority, extent or enforceability of (a) a Lien securing any First Priority Claims*** held (or purported to be held) by or on behalf of the First Priority Lien Collateral Trustee or any of the First Priority Lien Holders or any agent or trustee therefor in any First Priority Lien Collateral or (b) a Lien securing any Subordinated Lien Claims held (or purported to be held) by or on behalf of any Subordinated Lien Secured Party in the Common Collateral, as the case may be . . . .

Id. § 2.2(a) (emphasis added).

(d) **Restriction on Objecting to DIP Financing or Adequate Protection.**

Fourth, the Intercreditor Agreement prohibits the Junior Notes Parties from objecting to the Debtors' debtor-in-possession financing provided by the First Lien Noteholders, including to the use of cash collateral, or to the subordination of junior liens to such financing:

> If the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding, then each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that: (a) if the First Priority Lien Collateral Trustee and/or the First Priority Lien Secured Parties shall desire to permit the use of cash collateral or to permit the Company or any other Grantor to obtain financing (including on a priming basis) under Section 363 or Section 364 of the Bankruptcy Code or any similar provision in any Bankruptcy Law ("DIP Financing"), whether from the First Priority Lien Secured Parties or any other third party (including, but not limited to, any such financing (x) which represents an advance by some or all of the First Priority Lien Secured Parties following repayment of amounts of First Priority Lien Obligations with cash collateral or (y) the proceeds of which are used, in whole or in part, to repay First Priority Lien Obligations owed to some or all of the First Priority Lien Secured Parties), ***it will not object to and will not otherwise contest such use of cash collateral or DIP Financing*** and will not request adequate protection or any other relief in connection therewith . . . .

Id. § 6.1(a) (emphasis added). The Intercreditor Agreement also prohibits the Junior Notes Parties from objecting to the Debtors' provision of adequate protection to the First Lien Noteholders:

> Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that ***none of them shall oppose or otherwise contest*** (or support any other Person contesting) (a) ***any request by the First Priority Lien Collateral Trustee or the First Priority Lien Holders for adequate protection*** . . . .

Id. § 6.3(a) (emphasis added).

(e) **Restriction on Objections to the Plan and Disclosure Statement**. Fifth, the Intercreditor Agreement restricts the Junior Noteholder Group's ability to object to the Plan and Disclosure Statement. Among other things, the Intercreditor Agreement prohibits the Junior Notes Parties from: (i) hindering the First Lien Noteholders' disposition of Common Collateral or objecting to the manner by which the First Lien Noteholders seek to enforce First Lien Notes Claims (*id.* § 3.1(c)(i)-(ii)); (ii) asserting a valuation as to the Common Collateral (*id.* § 3.2); (iii) objecting to any request for judicial relief made by the First Lien Noteholders relating to enforcement of their lien on the Common Collateral (*id.* § 6.1(e)); or (iv) supporting an alternative plan of reorganization (*id.* § 6.6(b)) (collectively, the "**Prohibited Plan Objections**"). In fact, the Intercreditor Agreement is clear that the sole right of the Junior Notes Parties in a chapter 11 proceeding is, until the discharge of the First Lien Notes Claims, to "hold a junior Lien on the Common Collateral." *Id.* § 3.1(b).

(f) **Restriction on Commencing Proceedings Related to Second Lien Notes Claims.** Sixth, the Intercreditor Agreement prohibits the Junior Notes Parties from commencing any proceeding in respect of the Second Lien Notes Claims:

> Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party,

> agrees that, unless and until the Discharge of First Priority Claims has occurred, ***it will not commence, or join with any Person*** (other than the First Priority Lien Holders and the First Priority Lien Collateral Trustee upon the request thereof) ***in commencing***, ***any*** enforcement, collection, execution, levy or foreclosure action or ***proceeding*** with respect to any Lien held by it in the Common Collateral under any of the applicable Subordinated Lien Debt Documents or otherwise ***in respect of the applicable Subordinated Lien Claims***.

Id. § 3.2 (emphasis added).

26. Critically, pursuant to the Intercreditor Agreement, if the Junior Noteholder Group takes any action that is "prohibited by, or otherwise inconsistent with, any provision" thereof, each member of the Junior Noteholder Group is individually liable for and must pay any reasonable attorneys' fees, costs and expenses incurred by any of the First Lien Noteholders that arise out of or relate to such actions. *See id.* § 8.21. Likewise, if the Second Lien Trustee takes any action in violation of the Intercreditor Agreement it is liable for such fees and expenses. To the extent such fees and expenses are not paid, they are borne by the Debtors' estates because, pursuant to the Intercreditor Agreement, they are treated as First Lien Notes Claims. *See id.*

27. The actions that the Junior Notes Parties have already taken have caused the Debtors, as well as the First Lien Noteholders, to expend substantial resources. And the actions that the Junior Notes Parties have stated that they intend to take will cause the Debtors to incur significant fees, costs and expenses, particularly in relation to the size of the Debtors' business. Any costs that the Debtors incur in responding to actions taken by the Junior Notes Parties that are prohibited by the Intercreditor Agreement are unwarranted and unnecessary and must be borne by the Junior Notes Parties.

D. The Junior Noteholder Group Breached the Intercreditor Agreement on Multiple Occasions During the Initial Stages of the Chapter 11 Cases

28. The Junior Noteholder Group, which holds Second Lien Notes and is therefore subject to the terms of the Intercreditor Agreement, as well as the Second Lien Trustee, have ignored the clear and express provisions of the Intercreditor Agreement.

29. On November 26, 2018, on the eve of the Debtors' first day hearing (the "**First Day Hearing**"), the Junior Noteholder Group filed an objection to the Debtors' DIP Financing, in clear violation of the Intercreditor Agreement [D.I. 71] (the "**DIP Objection**"). *See* Intercreditor Agreement § 6.1(a). The Second Lien Trustee joined the DIP Objection [D.I. 77]. Subsequently, at the First Day Hearing, the Junior Noteholder Group objected to terms of the Debtors' DIP Financing as well as the Debtors' provision of adequate protection to the First Lien Noteholders.[9]

30. On December 10, 2018, the Junior Noteholder Group filed the *Motion of the Ad Hoc Group of Noteholders Pursuant to Section 362 of the Bankruptcy Code for Relief from the Automatic Stay* [D.I. 141] (the "**Stay Relief Motion**"). In the Stay Relief Motion, the Junior Noteholder Group sought authorization from this Court to pursue claims regarding LBI's assets – the First Lien Noteholders' collateral. The Junior Noteholder Group's filing of the Stay Relief Motion was itself a violation of the automatic stay because, as discussed above, the Intercreditor Agreement prohibits the Junior Noteholder Group from seeking relief from the automatic stay in respect of the First Lien Noteholders' collateral without the written consent of the First Lien Indenture collateral trustee. *See* Intercreditor Agreement § 6.2.

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[9] *See* Nov. 27, 2018 Hr'g Tr. at 48 (MS. STRICKLAND: The only other thing that I would note regarding fees, while it's embedded within the DIP does not actually relate to DIP financing at all, and that is that there are a litany of professionals that are getting paid as part of a requirement under this financing, some of whom have had to our knowledge no role whatsoever in the restructuring or the DIP . . . So we would ask that with respect to fees not related to the preparation of the restructuring and the DIP, that those things, at a minimum, information be provided about who's getting paid on account of what and that that awaits the final hearing, as well as this exit fee also awaits the final hearing and the proration that Mr. Buchbinder suggested as well, Your Honor).

E. The Derivative Standing Motion and Adversary Proceeding Violate the Intercreditor Agreement and the Automatic Stay

31. In the Stay Relief Motion, the Junior Noteholder Group sought stay relief to proceed with the claims that it had filed in New York state court against both HPS and Liberman, either through an adversary proceeding in this Court or by continuing to litigate those claims in state court. *See* Stay Relief Motion at ¶ 4. The Junior Noteholder Group subsequently filed the Derivative Standing Motion, seeking authority to prosecute claims belonging to the Debtors' estates.

32. The claims that are the subject of the Derivative Standing Motion, including claims for fraudulent conveyance and breach of fiduciary duty – which were previously asserted in the state court – are related to a May 2018 transaction, through which the Debtors obtained first-lien financing from HPS (the "**May 2018 Financing**"). Given that the claims are based upon the Junior Noteholder Group's status as creditors and are plainly "in respect of" the Second Lien Notes, the prosecution of these claims also violates the Intercreditor Agreement. *See* Intercreditor Agreement § 3.2. Moreover, the claims that the Junior Noteholder Group seeks to bring expressly and directly challenge the First Lien Noteholders' claim to the make-whole (the "**Make-whole**") agreed to as part of the May 2018 Financing. *See, e.g.,* Derivative Standing Motion ¶ 81 ("The Debtors are entitled to avoid the obligations due to HPS from the 'make whole' penalty in the First Lien amendment"); ¶ 120 ("the derivative claims carry the prospect of recovering in excess of a hundred million dollars for the estate by eliminating the 'make whole'"). As discussed above, the Intercreditor Agreement prohibits the Junior Noteholder Group from commencing litigation with respect to the Second Lien Notes and from challenging the First Lien Noteholders' Make-whole. *See* Intercreditor Agreement §§ 6.2, 6.7. The

continued prosecution of these claims violates the Intercreditor Agreement and, therefore, the automatic stay.

33. The Junior Noteholder Group also seeks to assert a claim for equitable subordination against HPS. *See, e.g.*, Derivative Standing Motion, Ex. B (the "**Proposed Amended Complaint**") ¶¶ 240-46. An action for equitable subordination amounts to an express and direct challenge to the priority of the First Lien Noteholders' liens and claims and plainly violates the Intercreditor Agreement and, therefore, the automatic stay. *See* Intercreditor Agreement §§ 2.2, 6.7.

34. Like the filing of the Derivative Standing Motion, the Junior Noteholder Group's commencement of the Adversary Proceeding violated the Intercreditor Agreement and the automatic stay. Setting aside the Intercreditor Agreement, the Adversary Complaint violates the automatic stay because it asserts causes of action that belong to the Debtors' estates, including claims against the Director Defendants (as defined in the Adversary Complaint) for breach of fiduciary duty and claims against HPS for aiding and abetting the alleged breach. *See* Adversary Complaint ¶¶ 228-45.

35. Moreover, the Adversary Complaint asserts claims against LBI Media for breach of the Second Lien Notes Indenture and the Forbearance Agreement (as defined in the Adversary Complaint). *See* Adversary Complaint ¶¶ 199-220. It also asserts claims against Liberman and the Director Defendants for tortious interference with the Second Lien Notes Indenture. *Id.* ¶¶ 246-51. As an initial matter, the breach of contract claims against LBI Media are prepetition general unsecured claims for monetary damages that may not be prosecuted absent relief from the automatic stay and are not the proper subject of an adversary proceeding. *See Healy/Mellon–Stuart Co. v. Coastal Group, Inc. (In re Coastal Group, Inc.)*, 100 B.R. 177, 178 (Bankr. D. Del.

1989) ("[creditor] has a claim based on a state-law contract. Its complaint falls squarely within the category of cases which would be filed in state court had there been no bankruptcy. It is the typical case which cannot be filed subsequent to a bankruptcy filing absent relief from stay for cause"); *In re TSC Glob., LLC*, No. 12-10505 (KG), 2013 WL 6502168, at *3 (Bankr. D. Del. June 26, 2013) (claim for monetary damages arising from prepetition conduct is not the proper subject of an adversary proceeding). Further, the claim for LBI Media's alleged failure to apply asset sale proceeds as purportedly required by the Second Lien Notes Indenture amounts to a "proceeding" with respect to the Second Lien Notes, and is, therefore, prohibited by the Intercreditor Agreement. *See* Intercreditor Agreement §3.2. Additionally, the Adversary Complaint challenges the Make-whole and seeks equitable subordination, both in the violation of the Intercreditor Agreement and the automatic stay. *See*, e.g., Adversary Complaint at ¶¶ 11, 97, 224, 244 (alleging that "HPS's inequitable conduct has resulted in injury to Plaintiffs and conferred an unfair advantage on HPS, because HPS received millions in fees and the benefit of a fraudulent $87 million 'make whole' penalty").

36. Statements made by the Junior Noteholder Group in its filings with the Court evidence the Junior Noteholder Group's intent to continue breaching the Intercreditor Agreement. The Junior Noteholder Group plans to contest confirmation of the Plan. *See* DS Hearing Transcript at 40:15-20 (MS. STRICKLAND: "The very issues that are going to be litigated in connection with the contested confirmation very much overlap . . ."). As discussed above, the assertion of any Prohibited Plan Objection violates the Intercreditor Agreement and the automatic stay. *See id.* §§ 3.1(c), 3.2, 6.1, 6.6(b).

37. Given that the Junior Notes Parties have already willfully violated the automatic stay on numerous occasions and have made their intentions known that they will continue to do

so, the Junior Notes Parties have given the Debtors no choice but to request that the Court enforce the automatic stay. The Debtors are targeting emergence from chapter 11 in the second quarter of 2019, in accordance with the milestones set forth in the Restructuring Support Agreement and DIP Credit Agreement. The Junior Noteholder Group's continued litigation in violation of the automatic stay serves no purpose other than to delay the Debtors' reorganization efforts and significantly increase expense to the Debtors' estates to the detriment of all creditors. Adjudicating this Motion will serve to narrow the scope of issues to be litigated in connection with Plan confirmation and the Derivative Standing Motion, foster judicial economy, and save the Debtors the significant expense associated with unnecessary litigation, for benefit of all of the Debtors' stakeholders. Moreover, if the Court decides to hear this Motion at or prior to the Confirmation Hearing, the Adversary Proceeding should be stayed, at a minimum, until the Court adjudicates the Motion.

Relief Requested

38. By this Motion, the Debtors respectfully request either (a) entry of the an order, pursuant to sections 105(a) and 362(a) of the Bankruptcy Code, enforcing the automatic stay by prohibiting the Junior Notes Parties from taking any action in violation of the Intercreditor Agreement, including, among other things, (i) prosecuting the Derivative Standing Motion or the Adversary Complaint, or pursuing claims or other actions that are property of the Debtors' estates or proposed to be released by the Plan, (ii) seeking equitable subordination of, or challenging the validity of, the First Lien Noteholders' liens and claims, (iii) objecting to the Plan, directly or indirectly, to the extent such action or objection includes or constitutes a Prohibited Plan Objection, and (iv) obtaining discovery in connection with any of the foregoing, or (b) entry of an order pursuant to section 105(a) of the Bankruptcy Code, Rule 9017 of the Bankruptcy Rules, and Rules 401, 402, 403 and 702 of the Federal Rules of Evidence precluding

the Junior Noteholder Group from presenting evidence contesting matters prohibited by the Intercreditor Agreement and the automatic stay.

Basis for Relief Requested

39. The automatic stay is "an injunction that arises by operation of law immediately upon the commencement of the bankruptcy case." *In re Cont'l Airlines*, 134 F.3d 536, 539 n.5 (3d Cir. 1998). It is "automatic" because it operates "irrespective of whether the parties to the proceedings stayed are aware that a petition has been filed." *Maritime Elec. Co., Inc. v. United Jersey Bank*, 959 F.2d 1194, 1204 (3d Cir. 1991). "The legislative history to section 362 [of the Bankruptcy Code] and our jurisprudence leave no doubt that the scope of the automatic stay is broad." *In re Krystal Cadillac Oldsmobile GMC Truck, Inc.*, 142 F.3d 631, 637 (3d Cir. 1998); *see also In re Prudential Lines, Inc.*, 119 B.R. 430, 432 (S.D.N.Y. 1990) (automatic stay bars "any action which would inevitably have an adverse impact on the property of the . . . estate." (internal quotation omitted)). Pursuant to section 105(a) of the Bankruptcy Code, a bankruptcy court also "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). "Section 105(a) of the Bankruptcy Code supplements courts' specifically enumerated bankruptcy powers by authorizing orders necessary or appropriate to carry out the provisions of the Bankruptcy Code." *In re Cont'l Airlines*, 203 F.3d 203, 211 (3d Cir. 2000).

40. Section 362(a)(3) of the Bankruptcy Code provides that "a petition filed . . . operates as a stay, applicable to all entities, of— . . . (3) any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3). Pursuant to section 541(a) of the Bankruptcy Code, "property of the estate" includes "all legal or equitable interests of the debtor in property as of the commencement of the case." 11 U.S.C. § 541(a). When a "creditor's continued exercise of

control over the [debtor's] property prevent[s] the debtor from continuing his business with all his available assets" the automatic stay is violated. *In re Knaus*, 889 F.2d 773, 775 (8th Cir. 1989). Similarly, contract rights are property of the Debtors' estates, and a counterparty's failure to perform its contractual obligations constitutes a violation of the automatic stay. *See Broadstripe, LLC v. Nat'l Cable Television Coop. (In re Broadstripe, LLC)*, 402 B.R. 646, 657 (Bankr. D. Del. Mar. 9, 2009) ("By refusing to perform its obligations under the Member Agreement, NCTC is interfering with Broadstripe's property rights under the Member Agreement and acting in violation of the automatic stay."); *In re Enron Corp.*, 300 B.R. 201, 212 (Bankr. S.D.N.Y. 2003) ("[c]ourts have consistently held that contract rights are property of the estate, and that therefore those rights are protected by the automatic stay."). Causes of action are also property of the bankruptcy estate. *See Emoral, Inc. v. Diacetyl (In re Emoral, Inc.)*, 740 F.3d 875, 879 (3d Cir. 2014).

A. Breaches of the Intercreditor Agreement Constitute Violations of the Automatic Stay

41. The Intercreditor Agreement is enforceable in these Chapter 11 Cases by its terms pursuant to section 510(a) of the Bankruptcy Code. *See* 11 U.S.C. 510(a); *see also In re PWS Holding Corp.*, 228 F.3d 224, 243 (3d Cir. 2000) (recognizing that an intercreditor agreement is a subordination agreement and is enforceable pursuant to section 510(a) of the Bankruptcy Code). Intercreditor agreements are enforceable in bankruptcy proceedings to preclude a party from raising arguments and objections that are prohibited by the plain language of the agreement. *See In re Ion Media Networks, Inc.*, 419 B.R. 585, 598 (Bankr. S.D.N.Y. 2009) (language of intercreditor agreement was "plain and purposeful" in "explicitly prohibit[ing]" a second lienholder from objecting to the debtor's plan of reorganization and that such creditor lacked standing to raise arguments and objections inconsistent with its rights and obligations

under the intercreditor agreement). Recently, this Court re-affirmed the enforceability of intercreditor agreements in chapter 11 cases. *See In re La Paloma Generating Co.*, Case No. 16-12700 (CSS) (Bankr. D. Del. Dec. 27, 2018) [D.I. 1274] (finding that sophisticated parties negotiated and entered into an intercreditor agreement with the intention to subordinate second lien lenders to the liens of first lien lenders, and requiring that first lien claims receive payment in full prior to payment of the second lien claim).

42. The Debtors are party to the Intercreditor Agreement. Among other things, the Intercreditor Agreement ensures that the priorities of the Debtors' outstanding debt obligations are maintained, including after the commencement of bankruptcy cases. It prevents the Junior Notes Parties from taking certain actions that disrupt the Debtors' restructuring process, which is precisely what the Junior Notes Parties have already done and have made clear they intend to continue to do. Breaches of the Intercreditor Agreement, which is property of the Debtors' estate, constitute a violation of the automatic stay. *See Enron*, 300 B.R. at 212. Public policy dictates that the Debtors should be entitled to rely on the terms of the Intercreditor Agreement, including its priority scheme and various restrictions as the Debtors seek to implement their restructuring. *See Ion Media,* 419 B.R. at 595 ("Giving effect to the plain language of the Intercreditor Agreement in this manner also reinforces general principles of public policy. Affirming the legal efficacy of unambiguous intercreditor agreements leads to more predictable and efficient commercial outcomes and minimizes the potential for wasteful and vexatious litigation.").

43. As discussed above, the Junior Notes Parties have blatantly violated – and threaten to continue to violate – the Intercreditor Agreement and the automatic stay by (i) seeking to assert causes of action that belong to the Debtors' estates, (ii) seeking derivative

standing to prosecute the claims that they had previously tried to bring in state court, which include a challenge to the Make-whole, and are otherwise on account of their status as junior creditors, (iii) challenging the priority or validity of the First Lien Notes through a claim for equitable subordination or otherwise, and (iv) asserting Prohibited Plan Objections. *See* Intercreditor Agreement §§ 2.2, 3.2, 6.7. In addition to violating the Intercreditor Agreement, the Derivative Standing Motion, the Adversary Complaint, and the litigation attendant thereto will acutely and adversely impact the Debtors, as it will unnecessarily delay the confirmation process, and add significant incremental cost along the way to the detriment of all of the Debtors' other creditors.

B. The Junior Noteholder Group's Assertion of Derivative Claims Violates the Automatic Stay

44. Under California law, as under Delaware law, it is well established that breach of fiduciary duty claims are derivative, because "a shareholder cannot bring a direct action for damages against management on a theory their alleged wrongdoing decreased the value of his or her stock." *Schuster v. Gardner*, 127 Cal. App. 4th 305, 312 (Cal. Ct. App. 2005) (quotation marks omitted). Instead, "the corporation itself must bring such an action, or a derivative suit may be brought on the corporation's behalf." *Id.*; *see also id.* at 312-15 (breach of fiduciary duty was a derivative claim that shareholder lacked standing to pursue directly).[10] *See also Zomolosky v. Kullman*, 640 F. App'x 212, 216 (3d Cir. 2016) (under Delaware corporate law the decision to commence (or abstain from commencing) litigation for breach of fiduciary duties belongs to the corporation).

45. In bankruptcy, the law is equally clear: A creditor's claim for breach of fiduciary duty or aiding and abetting a breach, like the claims against Liberman, the Director Defendants,

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[10] The Junior Noteholder Group agrees that California law governs the breach of fiduciary duty claims. *See* Derivative Standing Motion at 29 n.4.

and HPS in the Adversary Proceeding, is derivative because any harm suffered by the creditor is incidental to the alleged injury to the debtor resulting from the breach. *See CAMOFI Master LDC v. Associated Third Party Adm'rs,* 2018 WL 839134, at *3-6 (a creditor's claim for breach of fiduciary duty is a derivative claim because "[d]issipation of corporate assets is an injury to the corporation, and any accompanying injury to creditors is incidental to the corporation's injury."); *see also, e.g., N. Am. Catholic Educ. Programming Found., Inc. v. Gheewalla*, 930 A.2d 92, 94 (Del. 2007) (creditors of a corporation "either insolvent or in the zone of insolvency have no right, as a matter of law, to assert direct claims for breach of fiduciary duty against the corporation's directors"); *JMO Wind Down, Inc.*, 2018 WL 1792185, at *8 (Bankr. D. Del. Apr. 13, 2018) ("any breach of fiduciary duty harms the corporation as well as all of the shareholders together; they do not impact or harm [individual shareholder] alone"); *In re RNI Wind Down*, 348 B.R. at 293 (Sontchi, J.) ("Upon the filing of a bankruptcy petition . . . any claims for injury to the debtor from actionable wrongs committed by the debtor's officers and director become property of the estate under 11 U.S.C. § 541 and the right to bring a derivative action asserting such claims vests exclusively to the trustee").

46. In the Proposed Amended Complaint, the Junior Noteholder Group acknowledged the derivative nature of the breach of fiduciary duty claims, alleging that Liberman and the Director Defendants owed a duty to LBI as a whole, and that the breach of that duty harmed the Debtors, as well as all of the stakeholders together. *See, e.g.*, Proposed Amended Complaint ¶ 228 (defendants breached duty "to maintain the value of the Company in trust for the benefit of its stakeholders, including its creditors"); ¶ 97 ("LBI did not receive reasonably equivalent value for the "make whole penalty"); ¶ 258 ("Liberman and the Director Defendants acted in their own

self-interest and against the best interests of the Company by voting on and approving the HPS transaction").

47. Despite this acknowledgement, the Junior Noteholder Group attempts to assert direct claims for breach of fiduciary duty on the same operative set of facts by baldly asserting that "[p]laintiffs have been uniquely harmed as compared to other creditors, including HPS." *Id.* ¶ 253. Direct and derivative claims, however, are "mutually exclusive," because "the right of action and recovery belong[] either to the shareholders (direct action) or to the corporation (derivative action)." *CAMOFI*, 2018 WL 839134 at *3 (quoting *Schuster*, 127 Cal. App. 4th at 312). The Junior Noteholder Group's injury is indirect because it stems from an alleged reduction in LBI's assets available to repay LBI's loan. The size and priority of that loan relative to those of other creditors is irrelevant. Nor does it matter that the Junior Noteholder Group alleges that another creditor benefitted from the purported breach of fiduciary duty. The only question is whether the alleged direct injury is "incidental to the corporation's injury." *Schuster*, 127 Cal. App. 4th at 312. Here, the answer is clearly yes: but for the alleged dissipation of LBI's assets, and the ensuing harm to *the corporation*, the Junior Noteholder Group would have no injury to allege. Given that the breach of fiduciary duty claims are derivative, they are property of the estate and the assertion thereof by the Junior Noteholder Group is a violation of the automatic stay.

48. Accordingly, for the reasons set forth herein, the Debtors request entry of the Proposed Order enforcing the automatic stay.

C. The Intercreditor Agreement Precludes the Junior Noteholder Group from Presenting Evidence Contesting Matters Prohibited by the Intercreditor Agreement

49. To the extent the Court determines it is appropriate to consider the Motion at or just prior to the Confirmation Hearing as a *motion in limine*, pursuant to the Federal Rules of

Evidence and the Bankruptcy Rules, the Junior Noteholder Group should not be permitted to introduce evidence related to objections or arguments that are prohibited by the Intercreditor Agreement. Specifically, under the Federal Rules of Evidence, made applicable to these proceedings by Bankruptcy Rule 9017, a bankruptcy court has the discretion to exclude evidence that is not relevant to a fact in issue in the case. Fed. R. Evid. 401, 402. In addition, even if relevant, a bankruptcy court has the discretion under FRE 403 to exclude evidence if "its probative value is substantially outweighed . . . by considerations of undue delay, waste of time, or needless presentation of cumulative evidence." Fed. R. Evid. 403. Evidence that purportedly supports arguments and objections that are prohibited by the Intercreditor Agreement is both irrelevant and will unduly delay the Confirmation Hearing. Accordingly, the Court should not permit the Junior Noteholder Group to introduce evidence and raise arguments at the Confirmation Hearing that are inconsistent with many of its obligations under the Intercreditor Agreement.

Reservation of Rights

50. The Debtors reserve all of their rights, claims, defenses, and remedies, including, without limitation, their rights to amend, modify, or supplement this Motion, to seek discovery, and introduce any evidence in any hearing with respect to this Motion. Further, the Debtors reserve all claims, causes of action, damages, rights, remedies, and/or defenses in connection with the Junior Notes Parties' violation of the Intercreditor Agreement and any other actions taken by the Junior Notes Parties in violation of the automatic stay. The Debtors reserve all rights to respond, if necessary, to the Derivative Standing Motion and the Adversary Complaint.

Notice

51. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel for the DIP Agent, the DIP Lenders, and the

Consenting First Lien Noteholders; (iii) counsel to the First Lien Trustee; (iv) counsel to the Collateral Trustee for the First Lien Notes; (v) counsel to the ad hoc group of Second Lien Noteholders; (vi) counsel to the Indenture and Collateral Trustee for the Second Lien Notes; (vii) Trustee for the Intermediate HoldCo Notes; (viii) Trustee for the HoldCo Notes; (ix) counsel to the HoldCo Noteholders; (x) counsel to the Creditors' Committee; (xi) the Securities and Exchange Commission; (xii) the Internal Revenue Service; (xiii) the United States Attorney's Office for the District of Delaware; and (xiv) any other party that has requested notice pursuant to Bankruptcy Rule 2002.

No Previous Request

52. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court may deem proper.

Dated: January 30, 2019
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.

/s/ *Brendan J. Schlauch*
Daniel J. DeFranceschi (No. 2732)
Marcos A. Ramos (No. 4450)
Zachary I. Shapiro (No. 5103)
Brendan J. Schlauch (No. 6115)
Megan E. Kenney (No. 6426)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

- and -

WEIL, GOTSHAL & MANGES LLP
Ray C. Schrock, P.C.
Theodore E. Tsekerides
Garrett A. Fail
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	:	
	:	**Chapter 11**
LBI MEDIA, INC., *et al.*,	:	**Case No. 18-12655 (CSS)**
Debtors.[1]	:	**(Jointly Administered)**
	:	**Objection Deadline: Feb. 13, 2019 at 4:00 p.m. (ET)** **Hearing Date: Feb. 25, 2019 at 10:00 a.m. (ET)**

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that, on January 30, 2019, LBI Media, Inc. and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the "**Debtors**") filed the *Debtors' Motion Pursuant to 11 U.S.C. §§ 362 and 105 to Enforce the Automatic Stay* (the "**Motion**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**").

PLEASE TAKE FURTHER NOTICE that, any responses or objections to the Motion must be in writing, filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned counsel for the Debtors on or before **February 13, 2019 at 4:00 p.m. (Eastern Time).**

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors' mailing address is 1845 West Empire Avenue, Burbank, California 91504.

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801 on **February 25, 2019 at 10:00 a.m. (Eastern Time)**.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 30, 2019
Wilmington, Delaware

/s/ Brendan J. Schlauch
RICHARDS, LAYTON & FINGER, P.A.
Daniel J. DeFranceschi (No. 2732)
Zachary I. Shapiro (No. 5103)
Brendan J. Schlauch (No. 6115)
Megan E. Kenney (No. 6426)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP
Ray C. Schrock, P.C.
Garrett A. Fail
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and Debtors in Possession

Exhibit A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	
	:	**Chapter 11**
	:	
LBI MEDIA, INC., ***et al.***	:	**Case No. 18–12655 (CSS)**
	:	
Debtors.[1]	:	**(Jointly Administered)**
	:	

ORDER PURSUANT TO 11 U.S.C. §§ 362 AND 105
ENFORCING THE AUTOMATIC STAY

Upon the motion (the "**Motion**")[2] of the above-captioned debtors (collectively, the "**Debtors**") for entry of an order (this "**Order**"), pursuant to sections 105(a) and 362(a) of the Bankruptcy Code, enforcing the automatic stay by prohibiting the Junior Notes Parties from taking any action in violation of the Intercreditor Agreement, including, (i) prosecuting the Derivative Standing Motion or the Adversary Complaint, or pursuing claims or other actions that are property of the Debtors' estates or proposed to be released by the Plan, (ii) seeking equitable subordination of, or challenging the validity of, the First Lien Noteholders' liens and claims, (iii) objecting to the Plan and Disclosure Statement, directly or indirectly, to the extent such action or objection includes or constitutes a Prohibited Plan Objection, and (iv) obtaining discovery in connection with any of the foregoing, all as further described in the Motion; and the Court

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors' mailing address is 1845 West Empire Avenue, Burbank, California 91504.

[2] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. Absent further relief from this Court, upon entry of this Order, the automatic stay shall be enforced to prohibit the Junior Notes Parties from taking any action in violation of the Intercreditor Agreement, including, but not limited to, (i) prosecuting the Derivative Standing Motion or the Adversary Complaint, or pursuing claims or other actions that are property of the Debtors' estates or proposed to be released by the Plan, (ii) seeking equitable subordination of, or challenging the validity of, the First Lien Noteholders' liens and claims, (iii) objecting to the Plan and Disclosure Statement, directly or indirectly, to the extent such action or objection

includes or constitutes a Prohibited Plan Objection, and (iv) obtaining discovery in connection with any of the foregoing.

3. The Junior Notes Parties are prohibited from presenting evidence in support of claims prohibited by the Intercreditor Agreement or otherwise prohibited by the automatic stay, including, but not limited to, evidence relating to (i) challenges to the First Lien Notes Claims, (ii) Prohibited Plan Objections, (iii) claims or actions that are property of the Debtors' estates, and (iv) any action pursued in violation of the automatic stay.

4. Notwithstanding the possible applicability of any Federal Rule of Bankruptcy Procedure or Local Rule of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, this Order shall be immediately effective and enforceable upon its entry.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

<u>Exhibit B</u>

Intercreditor Agreement

Execution Version

AMENDED AND RESTATED INTERCREDITOR AGREEMENT

AMENDED AND RESTATED INTERCREDITOR AGREEMENT dated as of December 23, 2014, among CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH (*"CS"*), as First Priority Lien Collateral Trustee (as hereinafter defined), U.S. BANK NATIONAL ASSOCIATION ("*U.S. Bank*"), as trustee under that certain Second Priority Secured Subordinated Notes Indenture referred to below (in such capacity, together with its successors and assigns in such capacity, the "*Second Priority Secured Subordinated Notes Trustee*"), U.S. Bank, as trustee under that certain Series II Second Priority Secured Subordinated Notes Indenture referred to below (in such capacity, together with its successors and assigns in such capacity, the "*Series II Second Priority Secured Subordinated Notes Trustee*") and U.S. Bank, as collateral agent under the Second Priority Secured Subordinated Notes Security Documents (in such capacity, together with its successor and assigns in such capacity, the "*Second Priority Collateral Agent*"), the other First Priority Lien Debt Representatives and Subordinated Lien Debt Representatives from time to time party hereto, LBI MEDIA, INC., a California corporation (the "*Company*") and the guarantors from time to time party hereto. This Agreement amends and restates in its entirety that certain Intercreditor Agreement dated as of December 31, 2012 (the "*Existing Intercreditor Agreement*") among CS, as First Priority Lien Collateral Trustee, U.S. Bank as Second Priority Secured Subordinated Notes Trustee, the Company and the guarantors from time to time party thereto.

A. The Company is party to that certain Amended and Restated Credit Agreement dated as of March 18, 2011 (as amended, restated, supplemented, waived or otherwise modified from time to time, the *"Credit Agreement"*), by and among the Company, the guarantors party thereto, the lenders party thereto, CS, as administrative agent, the First Priority Lien Collateral Trustee and the other parties thereto. The Credit Agreement is included in the definition of "Credit Agreement" set forth in the Second Priority Secured Subordinated Notes Indenture (as defined below), and any and all Obligations of the Company and the Company's Subsidiaries which are "Guarantors" (as defined in the Credit Agreement) under the Credit Agreement and the First Priority Lien Debt Documents constitute First Priority Bank Debt, First Priority Lien Debt and First Priority Claims hereunder.

B. The Company is party to the Indenture dated as of March 18, 2011 (in effect on the date hereof and as amended, supplemented or otherwise modified from time to time to the extent permitted by the First Lien Intercreditor Agreement, the *"First Priority Senior Secured Notes Indenture"*), among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee. The Obligations of the Company and the Company's Subsidiaries which are "Guarantors" (as defined in the First Priority Senior Secured Notes Indenture) under the First Priority Senior Secured Notes Indenture, the First Priority Senior Secured Notes and the First Priority Lien Debt Documents constitute First Priority Lien Debt and First Priority Claims hereunder.

C. The Company is party to that certain Collateral Trust and Intercreditor Agreement dated as of March 18, 2011, among the Company, the guarantors from time to time party thereto, the First Priority Lien Collateral Trustee, the trustee in respect of the First Priority Senior Secured Notes, CS, as administrative agent and the other First Priority Lien Debt Representatives from time to time party thereto (as amended, modified or otherwise supplemented, the "*First Lien Intercreditor Agreement*").

D. The Company is party to the Indenture dated as of December 31, 2012 (as amended, supplemented or otherwise modified from time to time to the extent permitted hereunder, the *"Second Priority Secured Subordinated Notes Indenture"*), among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee. The Obligations of the Company, and the Company's Subsidiaries which are "Guarantors" (as defined in the Second Priority Secured Subordinated Notes Indenture) under the Second Priority Secured Subordinated Notes Indenture, the Second Priority Secured Subordinated Notes, and the other Second Priority Secured Subordinated Notes Documents constitute Subordinated Lien Debt, Parity Lien Debt and Subordinated Lien Claims hereunder.

E. The Company is party to the Indenture dated as of December 23, 2014 (as amended, supplemented or otherwise modified from time to time to the extent permitted hereunder, the *"Series II Second Priority Secured Subordinated Notes Indenture"*), among the Company, the subsidiary guarantors from time to time party thereto, and U.S. Bank National Association, as trustee. The Obligations of the Company and the Company's Subsidiaries which are "Guarantors" (as defined in the Series II Second Priority Secured Subordinated Notes Indenture) under the Series II Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes, and the other Series II Second Priority Secured Subordinated Notes Documents constitute Subordinated Lien Debt, Parity Lien Debt and Subordinated Lien Claims hereunder.

Accordingly, in consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions.

1.1 *Defined Terms.* As used in this Agreement, the following terms have the meanings specified below:

"2014 Second Lien Notes Exchange Offer and Solicitation" means an offer to exchange $1,000 principal amount of Series II Second Priority Secured Subordinated Notes for each $1,000 principal amount of Second Priority Secured Subordinated Notes, plus payment for (i) all accrued and unpaid interest on such Second Priority Secured Subordinated Notes that has accrued in the form of PIK Interest (as defined in the Second Priority Secured Subordinated Notes Indenture) and any consent and structuring fees, in each case paid in the form of Series II Second Priority Secured Subordinated Notes and (ii) all accrued and unpaid interest on such Second Priority Secured Subordinated Notes that has accrued in the form of Cash Interest (as defined in the Second Priority Secured Subordinated Notes Indenture) paid in the form of cash in connection with such exchange, and a concurrent consent solicitation to amend the indenture governing the Second Priority Secured Subordinated Notes to eliminate or waive substantially all of the restrictive covenants, eliminate certain events of default, modify covenants regarding mergers and consolidations, and modify or eliminate certain other provisions.

"Agreement" shall mean this Agreement, as amended, renewed, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"*Bankruptcy Code*" shall mean Title 11 of the United States Code, as amended, replaced or restated from time to time.

"*Bankruptcy Law*" shall mean the Bankruptcy Code and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief process of any Federal, state or foreign law or common law for the relief of debtors.

"*Business Day*" shall mean any day other than a Saturday, a Sunday or a day that is a legal holiday under the laws of the State of New York or on which banking institutions in the State of New York are required or authorized by law or other governmental action to close.

"*Cash Management Obligations*" shall mean, with respect to any Person, all obligations, whether now owing or hereafter arising, of such Person in respect of overdrafts and related liabilities owed to any other Person that arise from treasury, depositary or cash management services, including any automated clearing house transfers of funds or any similar transactions.

"*Common Collateral*" shall mean all of the assets of any Grantor, whether real, personal or mixed, constituting or deemed under Section 2.3 of this Agreement to be both First Priority Lien Collateral and Subordinated Lien Collateral.

"*Company*" shall have the meaning set forth in the preamble hereto.

"*Comparable Subordinated Lien Security Document*" shall mean, in relation to any Common Collateral subject to any Lien created under any First Priority Lien Security Document, those Subordinated Lien Security Documents that create a Lien on the same Common Collateral, granted by the same Grantor.

"*Credit Agreement*" shall have the meaning set forth in the recitals hereto.

"*Deposit Account*" shall have the meaning set forth in the Uniform Commercial Code.

"*Deposit Account Collateral*" shall mean that part of the Common Collateral comprised of or contained in Deposit Accounts or Securities Accounts.

"*DIP Financing*" shall have the meaning set forth in Section 6.1.

"*Discharge of First Priority Claims*" shall mean (a) the indefeasible payment in full in cash and discharge of all outstanding First Priority Lien Debt and all other First Priority Claims that are due and payable or otherwise outstanding at or prior to the time the First Priority Lien Debt is paid in full and discharged; and (b) termination or expiration of all commitments to extend credit under all First Priority Lien Debt Documents and the cancellation or termination or cash collateralization of all outstanding letters of credit pursuant to Section 2.4(h) of the Credit Agreement and bankers' acceptances issued pursuant to any First Priority Lien Debt Documents.

"*Distribution*" means, with respect to any indebtedness or obligation, (a) any payment or distribution by any Person (other than interest paid-in-kind by adding the amount thereof to the principal balance of such indebtedness or obligation) of cash, securities or any other

property, by setoff or otherwise, on account of such indebtedness or obligation, (b) any redemption, purchase or other acquisition of such indebtedness or obligation by any Person or (c) the granting of any lien or security interest to or for the benefit of the holders of such indebtedness or obligation in or upon any property of any Person.

"*Empire Burbank*" means Empire Burbank, LLC, a California limited liability company.

"*Empire Burbank Lien*" means the Lien on certain property of Empire Burbank in favor of Jefferson Pilot Financial Insurance Company.

"*First Lien Intercreditor Agreement*" shall have the meaning set forth in the recitals hereto.

"*First Priority Bank Debt*" means any Indebtedness incurred under the Credit Agreement, including the subsidiary guarantees issued under the Credit Agreement, provided that the aggregate amount of First Priority Bank Debt shall not exceed the sum of the following (i) $50,000,000; and (ii) all interest, fees, costs and expenses due and payable with respect to the foregoing. For the avoidance of doubt, the principal amount of any Indebtedness incurred under the Credit Agreement that is not First Priority Bank Debt is First Priority Lien Debt.

"*First Priority Bank Debt Documents*" means the Credit Agreement, any guarantees of First Priority Bank Debt Obligations, each first priority debt sharing confirmation, the First Priority Lien Security Documents and all other agreements governing, evidencing, securing or documenting any First Priority Bank Debt Obligations.

"*First Priority Bank Debt Obligations*" means the First Priority Bank Debt and all other Obligations in respect thereof.

"*First Priority Claims*" shall mean (a) all First Priority Lien Obligations outstanding; (b) any claims for attorneys' fees, costs or expenses arising under Section 8.21 of this Agreement; and (c) all other Obligations (not constituting Indebtedness) with respect to First Priority Lien Debt. First Priority Claims shall include all interest, fees and expenses accrued or accruing (or that would, absent the commencement of an Insolvency or Liquidation Proceeding, accrue) after the commencement of an Insolvency or Liquidation Proceeding in accordance with, at the time contemplated by and at the rate, if any, specified in the relevant First Priority Lien Debt Document, whether or not the claim for such interest, fees or expenses is allowed, allowable, recognized or provable as a claim in such Insolvency or Liquidation Proceeding, and whether or not any underlying First Priority Lien Obligations are modified in any fashion with respect to any Grantors during such Insolvency or Liquidation Proceeding (including, without limitation, pursuant to Section 1129(b) of the Bankruptcy Code).

"*First Priority Lien*" means a Lien granted or purported to be granted to the First Priority Lien Collateral Trustee, for the benefit of the First Priority Lien Secured Parties, upon any property of the Company or any other Grantor to secure First Priority Lien Obligations or other First Priority Claim.

"*First Priority Lien Collateral*" shall mean all of the assets of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted, purported to be granted, or deemed

under Section 2.3 of this Agreement to be granted as security for the First Priority Lien Obligations or other First Priority Claims. For the avoidance of doubt, it is the intent of the parties that the First Priority Lien Debt Documents grant, and that the First Priority Lien Collateral therefore include, the entire economic value of any and all FCC Licenses (as such term is defined in the First Priority Lien Security Documents) and all proceeds thereof.

"*First Priority Lien Collateral Trustee*" means Credit Suisse AG, Cayman Islands Branch, acting as the First Priority Lien Collateral Trustee with respect to the First Priority Liens, together with its successors and permitted assigns under the First Lien Intercreditor Agreement.

"*First Priority Lien Debt*" means:

(1) the First Priority Senior Secured Notes and the related subsidiary guarantees issued under the First Priority Senior Secured Notes Indenture;

(2) the First Priority Bank Debt; and

(3) Indebtedness under existing hedging agreements and any guarantees thereof that, in each case, was permitted to be incurred and so secured under each applicable First Priority Lien Debt Document (or as to which the lenders obtained an officer's certificate at the time of incurrence to the effect that such Indebtedness was permitted to be incurred and secured by all applicable First Priority Lien Debt Documents).

For the avoidance of doubt, in respect of any Hedging Obligation, the requirements in the foregoing clause (3) need be satisfied only once in respect of such Hedging Obligations and not, for the avoidance of doubt, on multiple occasions upon the execution of each confirmation executed in connection therewith.

"*First Priority Lien Debt Documents*" means collectively, the First Priority Bank Debt Documents, the First Priority Senior Secured Notes Indenture, the First Priority Senior Secured Notes and the related subsidiary guarantees, the First Lien Intercreditor Agreement (and related security documents), the First Priority Lien Security Documents, each first priority debt sharing confirmation, all other agreements related to the First Priority Senior Secured Notes Indenture, the First Priority Senior Secured Notes and related subsidiary guarantees, and the indenture or agreement governing each other series of First Priority Lien Debt and all other agreements governing, securing or relating to any First Priority Lien Obligation.

"*First Priority Lien Debt Representatives*" means:

(1) in the case of the First Priority Senior Secured Notes and the related subsidiary guarantees, the trustee under the First Priority Senior Secured Notes Indenture, and

(2) in the case of the First Priority Bank Debt Obligations, the administrative agent under the Credit Agreement.

"*First Priority Lien Holders*" shall mean the Persons holding First Priority Claims, including the First Priority Lien Debt Representatives and the First Priority Lien Secured Parties.

"*First Priority Lien Obligations*" means the First Priority Lien Debt and all other Obligations in respect thereof, including Obligations owed to the collateral trustee under the First Priority Lien Debt Documents.

"*First Priority Lien Secured Parties*" means the holders of First Priority Lien Obligations, any First Priority Lien Debt Representatives and the First Priority Lien Collateral Trustee.

"*First Priority Lien Security Documents*" means one or more security agreements, debentures, pledge agreements, collateral assignments, mortgages, collateral agency agreements, control agreements, deeds of trust or other grants or transfers for security executed and delivered by the Company and each other Grantor (other than Empire Burbank, but solely with respect to the Empire Burbank Lien) creating (or purporting to create) a Lien upon collateral in favor of the First Priority Lien Collateral Trustee, for the benefit of the First Priority Lien Secured Parties, in each case, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, in accordance with its terms.

"*First Priority Senior Secured Notes*" means the 10% Senior Secured Notes due 2019 issued by the Company and the related subsidiary guarantees pursuant to the First Priority Senior Secured Notes Indenture.

"*First Priority Senior Secured Notes Indenture*" has the meaning set forth in the recitals hereto.

"*Future Subordinated Lien Indebtedness*" shall mean any Parity Lien Debt described in clause (2) of the definition thereof; *provided, however,* that such Future Subordinated Lien Indebtedness is permitted to be so incurred in accordance with any First Priority Lien Debt Documents and any Subordinated Lien Debt Documents, as applicable.

"*Grantors*" shall mean the Company and each of the Subsidiaries that has executed and delivered a Subordinated Lien Security Document or a First Priority Lien Security Document.

"*Hedging Obligations*" shall mean, with respect to any Person, all obligations and liabilities, whether now owing or hereafter arising, of such Person in respect of (a) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements, and currency exchange, interest rate or commodity collar agreements and (b) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"*Indebtedness*" shall mean and include all obligations that constitute "Indebtedness" within the meaning of the Credit Agreement, the First Priority Senior Secured Notes Indenture, the Second Priority Secured Subordinated Notes Indenture or the Series II Second Priority Secured Subordinated Notes Indenture.

"*Insolvency or Liquidation Proceeding*" shall mean (a) any voluntary or involuntary case or proceeding under any Bankruptcy Law with respect to any Grantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to any of its assets, (c) any liquidation, dissolution, reorganization or

winding up of any Grantor or any of its assets, whether voluntary or involuntary and whether or not under Bankruptcy Law or involving insolvency or bankruptcy proceedings, including, without limitation, a sale of any assets of any Grantor pursuant to a sale under Section 363 of the Bankruptcy Code or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"Lien" shall mean, with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset.

"Obligations" shall mean, with respect to any Indebtedness, any and all obligations, whether now owing or hereafter arising, with respect to the payment of (a) any principal of or interest (including interest accrued on or accruing after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for such interest is allowed, allowable, recognized or provable in such proceeding) or premium on any Indebtedness, including any reimbursement obligation in respect of any letter of credit or letter of credit guaranty, (b) any fees, indemnification obligations, expense reimbursement obligations or other liabilities payable under the documentation governing such Indebtedness, (c) any obligation to post cash collateral in respect of letters of credit or letter of credit guaranties and any other obligations and (d) solely with respect to any Indebtedness constituting First Priority Claims, any Cash Management Obligations or Hedging Obligations owing to any of the First Priority Lien Holders holding such First Priority Claims or any affiliates thereof.

"Parity Lien" means a Lien granted upon any property of the Company or any other Grantor to secure Parity Lien Obligations that is subject to this Agreement.

"Parity Lien Debt" means:

(1) (a) the Second Priority Secured Subordinated Notes and the related subsidiary guarantees issued under the Second Priority Secured Subordinated Notes Indenture together with any additional Second Priority Secured Subordinated Notes issued evidencing any interest paid in kind pursuant to the terms of the Second Priority Secured Subordinated Notes Indenture and (b) the Series II Second Priority Secured Subordinated Notes and the related subsidiary guarantees issued under the Series II Second Priority Secured Subordinated Notes Indenture together with any additional Series II Second Priority Secured Subordinated Notes issued evidencing any interest paid in kind pursuant to the terms of the Series II Second Priority Secured Subordinated Notes Indenture; and

(2) Indebtedness under any other credit facility or other hedging agreements or an issuance of debt securities that, in each case, is secured equally and ratably with the Second Priority Secured Subordinated Notes and the Series II Second Priority Secured Subordinated Notes by a Parity Lien that was permitted to be incurred and so secured under the Second Priority Secured Subordinated Notes Indenture and the Series II Second Priority Secured Subordinated Notes Indenture; provided, in the case of each issue or series of Indebtedness referred to in this clause (2), that:

(a) on or before the date on which such Indebtedness is incurred by the Company or any other obligor, as the case may be, such Indebtedness is designated by the Company or any other obligor, as the case may be, in an officer's certificate delivered to the trustee, as "Parity Lien

Debt" for the purposes of the Second Priority Secured Subordinated Notes Indenture and the Series II Second Priority Secured Subordinated Notes Indenture; and

(b) all requirements set forth in this Agreement as to the confirmation, grant or perfection of the Lien to secure such Indebtedness or Obligations in respect thereof are satisfied (and the satisfaction of such requirements and the other provisions of this clause (b) will be conclusively established if the Company or any other obligor, as the case may be, delivers to the Second Priority Secured Subordinated Notes Trustee and the Series II Second Priority Secured Subordinated Notes Trustee an officer's certificate stating that such requirements and other provisions have been satisfied and that such Indebtedness is "Parity Lien Debt");

provided that, the aggregate outstanding principal amount (excluding any paid-in-kind interest) of the Indebtedness referred to in clause (2) does not exceed the amount of such Indebtedness permitted to be incurred under (and not in violation of) clause (xix) of Section 4.09 of the Series II Second Priority Secured Subordinated Notes Indenture or under clause (v) of Section 4.09 of the Series II Second Priority Secured Subordinated Notes Indenture as Permitted Refinancing Indebtedness (as defined in the Series II Second Priority Secured Subordinated Notes Indenture) of the Second Priority Secured Subordinated Notes and the related subsidiary guarantees or the Series II Second Priority Secured Subordinated Notes and the related subsidiary guarantees.

"*Parity Lien Obligations*" means the Parity Lien Debt and all other Obligations in respect thereof.

"*Person*" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, entity or other party, including any government and any political subdivision, agency or instrumentality thereof.

"*Pledged Collateral*" shall mean the Common Collateral in the possession of the First Priority Lien Collateral Trustee (or its agents or bailees).

"*Recovery*" shall have the meaning set forth in Section 6.4.

"*Second Priority Collateral Agent*" has the meaning set forth in the preamble hereto.

"*Second Priority Secured Subordinated Notes*" means the 11½ /13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020 issued by the Company and the related subsidiary guarantees pursuant to the Second Priority Secured Subordinated Notes Indenture, each as may be amended from time to time as permitted by this Agreement.

"*Second Priority Secured Subordinated Notes Documents*" means the (a) the Second Priority Secured Subordinated Notes Indenture, (b) the Second Priority Secured Subordinated Notes and (c) any other related document or instrument executed and delivered pursuant to any Second Priority Secured Subordinated Notes Document described in clause (a) above evidencing or governing any Obligations thereunder.

"*Second Priority Secured Subordinated Notes Indenture*" has the meaning set forth in the recitals hereto.

"*Second Priority Secured Subordinated Notes Secured Parties*" means the holders of the Second Priority Secured Subordinated Notes and any other Parity Lien Obligations related to Parity Lien Debt described in clause (1)(a) or (2) of the definition thereof, the Second Priority Secured Subordinated Notes Trustee and collateral agent, trustee or representative for any other such Parity Lien Obligations.

"*Second Priority Secured Subordinated Notes Security Documents*" means one or more security agreements, debentures, pledge agreements, collateral assignments, mortgages, collateral agency agreements, control agreements, deeds of trust or other grants or transfers for security executed and delivered by the Company and each other Grantor (other than Empire Burbank, but solely with respect to the Empire Burbank Lien) creating (or purporting to create) a Lien upon collateral in favor of U.S. Bank National Association, in its capacity as collateral agent, for the benefit of the Second Priority Secured Subordinated Notes Secured Parties, the Series II Second Priority Subordinated Notes Secured Parties and additional Subordinated Lien Holders from time to time, in each case, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, in accordance with its terms.

"*Second Priority Secured Subordinated Notes Trustee*" has the meaning set forth in the preamble hereto.

"*Securities Account*" shall have the meaning set forth in the Uniform Commercial Code.

"*Series II Second Priority Secured Subordinated Notes*" means the 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II issued by the Company and the related subsidiary guarantees pursuant to the Series II Second Priority Secured Subordinated Notes Indenture, each as may be amended from time to time as permitted by this Agreement.

"*Series II Second Priority Secured Subordinated Notes Documents*" means the (a) the Series II Second Priority Secured Subordinated Notes Indenture, (b) the Series II Second Priority Secured Subordinated Notes and (c) any other related document or instrument executed and delivered pursuant to any Series II Second Priority Secured Subordinated Notes Document described in clause (a) above evidencing or governing any Obligations thereunder.

"*Series II Second Priority Secured Subordinated Notes Indenture*" has the meaning set forth in the recitals hereto.

"*Series II Second Priority Secured Subordinated Notes Secured Parties*" means the holders of the Series II Second Priority Secured Subordinated Notes, the Series II Second Priority Secured Subordinated Notes Trustee and the Second Priority Collateral Agent.

"*Series II Second Priority Secured Subordinated Notes Trustee*" has the meaning set forth in the preamble hereto.

"*Subordinated Lien Claim*" means the Subordinated Lien Obligations and all other Obligations in respect of, or arising under, the Subordinated Lien Debt Documents, including all fees and expenses of the collateral agent for any Future Subordinated Lien Indebtedness.

"*Subordinated Lien Collateral*" means all of the assets of any Grantor, whether real, personal or mixed, with respect to which a Lien is granted or purported to be granted as security for any Subordinated Lien Claim. For the avoidance of doubt, it is the intent of the parties that the Subordinated Lien Debt Documents grant, and that the Subordinated Lien Collateral therefore include, the entire economic value of any and all FCC Licenses (as such term is defined in the First Priority Lien Security Documents) and all proceeds thereof.

"*Subordinated Lien Debt*" means the Parity Lien Debt.

"*Subordinated Lien Debt Documents*" means, collectively, the Second Priority Secured Subordinated Notes Documents, the Series II Second Priority Secured Subordinated Notes Documents and any documents evidencing or governing any Future Subordinated Lien Indebtedness.

"*Subordinated Lien Debt Representatives*" shall mean (a) the Second Priority Collateral Agent as collateral agent for the Second Priority Secured Subordinated Notes Secured Parties, (b) the Second Priority Secured Subordinated Notes Trustee as trustee under the Second Priority Secured Subordinated Notes Indenture, (c) the Series II Second Priority Secured Subordinated Notes Trustee as trustee under the Series II Second Priority Secured Subordinated Notes Indenture, and (d) the collateral agent, trustee or representative for any Future Subordinated Lien Indebtedness.

"*Subordinated Lien Designated Agent*" shall mean such agent or trustee as is designated "Subordinated Lien Designated Agent" by Subordinated Lien Secured Parties holding a majority in principal amount of the Subordinated Lien Claims then outstanding; it being understood that as of the date of this agreement, the Second Priority Collateral Agent shall be so designated Subordinated Lien Designated Agent.

"*Subordinated Lien Holders*" shall mean the Persons holding Subordinated Lien Claims, including the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties.

"*Subordinated Lien Obligations*" shall mean Parity Lien Debt and all other Obligations in respect thereof.

"*Subordinated Lien Secured Parties*" shall mean the Second Priority Secured Subordinated Notes Secured Parties, the Series II Second Priority Secured Subordinated Notes Secured Parties, any Subordinated Lien Designated Agent and all other Persons holding any Subordinated Lien Claims, including the collateral agent for any Future Subordinated Lien Indebtedness.

"*Subordinated Lien Security Documents*" means the Second Priority Secured Subordinated Notes Security Documents and any other agreement, document or instrument pursuant to which a Lien is now or hereafter granted securing any Subordinated Lien Claims (including in respect of any Future Subordinated Lien Indebtedness) or under which rights or remedies with respect to such Liens are at any time governed.

"*Subsidiary*" shall mean any "Subsidiary" of the Company as defined in the Series II Second Priority Secured Subordinated Notes Indenture.

"Uniform Commercial Code" or *"UCC"* shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"*Yield to Maturity*" means, with respect to any Indebtedness, the annualized yield to maturity of such Indebtedness expressed as a percentage of the principal amount thereof, taking into account the rate of interest payable thereon in cash, the accretion of any original issue discount and the impact of any up-front fees or similar amounts payable in cash to holders of the Indebtedness, but not taking into account any non-cash interest, any discount or premium due to purchase or acquisition price following the original issuance thereof and any amounts payable in respect of bona fide expense reimbursement or indemnification obligations.

1.2 *Terms Generally.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified in accordance with this Agreement, (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections shall be construed to refer to Sections of this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The terms "consent", "permit", "agree" and "waive" shall be construed to have similar meanings and shall be presumed to have been granted to the extent so provided in the parties' agreements or by operation of law.

Section 2. Lien Priorities.

2.1 *Subordination of Liens.* Notwithstanding the date, time, manner or order of execution, delivery, filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to the Subordinated Lien Secured Parties on the Common Collateral or of any Liens granted to the First Priority Lien Secured Parties on the Common Collateral and notwithstanding any provision of the UCC, or any other applicable law, or the Subordinated Lien Debt Documents or the First Priority Lien Debt Documents or any other circumstance whatsoever, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, hereby agrees that: (a) any Lien on the Common Collateral securing any First Priority Claims now or hereafter held by or on behalf of the First Priority Lien Collateral Trustee or any First Priority Lien Holder or any agent or trustee therefor regardless of how acquired, whether by agreement, grant, possession, statute, operation of law, subrogation, judicial order or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the Common Collateral securing any Subordinated Lien Claims and (b) any Lien on the Common Collateral securing any Subordinated Lien Claims now or hereafter held by or on behalf of the Second Priority Collateral Agent or any Subordinated Lien Secured Parties or any agent or trustee therefor regardless of how acquired, whether by agreement, grant, statute, operation of law, subrogation, judicial order or otherwise, shall be junior and subordinate in all respects to all

Liens on the Common Collateral securing any First Priority Claims. All Liens on the Common Collateral securing any First Priority Claims shall be and remain senior in all respects and prior to all Liens on the Common Collateral securing any Subordinated Lien Claims for all purposes, whether or not such Liens securing any First Priority Claims are subordinated to any Lien securing any other obligation of the Company, any other Grantor or any other Person. Notwithstanding any failure by any of the First Priority Lien Secured Parties, on the one hand, or any of the Subordinated Lien Secured Parties, on the other hand, to perfect their security interests in the Common Collateral or any avoidance, disallowance, invalidation, subordination or recharacterization by any Person or court of any of the security interests in the Common Collateral granted or purported to be granted to the First Priority Lien Secured Parties or the Subordinated Lien Secured Parties, the respective priority and rights with respect to all the Common Collateral and any proceeds of any Common Collateral as between the First Priority Lien, on the one hand, and all Liens of any of the Subordinated Lien Holders, on the other hand, shall be as set forth in this Agreement.

2.2 *Prohibition on Contesting Liens.* Each Subordinated Lien Debt Representative, for itself and on behalf of each applicable Subordinated Lien Secured Party, and each First Priority Lien Debt Representative, for itself and on behalf of each applicable First Priority Lien Holder, agrees that it shall not (and hereby waives any right to) contest or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the validity, perfection, priority, extent or enforceability of (a) a Lien securing any First Priority Claims held (or purported to be held) by or on behalf of the First Priority Lien Collateral Trustee or any of the First Priority Lien Holders or any agent or trustee therefor in any First Priority Lien Collateral or (b) a Lien securing any Subordinated Lien Claims held (or purported to be held) by or on behalf of any Subordinated Lien Secured Party in the Common Collateral, as the case may be; provided, however, that nothing in this Agreement shall be construed to prevent or impair the rights of the First Priority Lien Collateral Trustee or any First Priority Lien Holder to enforce this Agreement (including the unconditional priority of the Liens securing the First Priority Claims as provided in Section 2.1) or any of the First Priority Lien Debt Documents.

2.3 *No New Liens.* The parties hereto agree that it is their intention that the Subordinated Lien Collateral shall not be more expansive than the First Priority Lien Collateral. So long as the Discharge of First Priority Claims has not occurred, the parties hereto agree that, after the date hereof, if any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party shall hold any Lien on any assets of the Company or any other Grantor securing any Subordinated Lien Claims that are not also subject to the First Priority Lien, such Subordinated Lien Debt Representative or such Subordinated Lien Secured Party shall notify the First Priority Lien Collateral Trustee promptly upon becoming aware thereof, such Lien shall be deemed to be assigned to the First Priority Lien Collateral Trustee for the benefit of the First Priority Lien Secured Parties, and the Grantors, by their signatures hereto, shall be deemed to consent to such assignment, and, upon demand by the First Priority Lien Collateral Trustee or the Company, will execute and deliver all documents and agreements requested by the First Priority Lien Collateral Trustee to assign or release such Lien to the First Priority Lien Collateral Trustee (and/or its designee) as security for the applicable First Priority Claims (in the case of an assignment, each Subordinated Lien Debt Representative may retain a junior lien on such assets subject to the terms hereof).

2.4 *Perfection of Liens.* Neither the First Priority Lien Collateral Trustee nor the First Priority Lien Holders shall be responsible for perfecting and maintaining the perfection of Liens with respect to the Common Collateral for the benefit of the Subordinated Lien Debt Representatives or the Subordinated Lien Secured Parties. The provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Lien Holders and the Subordinated Lien Secured Parties and shall not impose on the First Priority Lien Collateral Trustee, the Subordinated Lien Debt Representatives, the Subordinated Lien Secured Parties or the First Priority Lien Holders or any agent or trustee therefor any obligations in respect of the disposition of proceeds of any Common Collateral which would conflict with prior perfected claims therein in favor of any other Person or with any order or decree of any court or governmental authority or any applicable law.

Section 3. Enforcement.

3.1 *Exercise of Remedies.*

(a) So long as the Discharge of First Priority Claims has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Company or any other Grantor, (i) none of the Subordinated Lien Debt Representatives or the Subordinated Lien Secured Parties will (x) exercise or seek to exercise any rights or remedies (including setoff) with respect to any Common Collateral in respect of any Subordinated Lien Claims, make any claim or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), (y) contest, protest or object to any foreclosure proceeding or action brought with respect to the Common Collateral by the First Priority Lien Collateral Trustee or any First Priority Lien Holder (or any agent or sub-agent on their behalf) in respect of the First Priority Claims, the exercise of any right by the First Priority Lien Collateral Trustee or any First Priority Lien Holder (or any agent or sub-agent on their behalf) in respect of the First Priority Claims under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party, of any rights and remedies relating to the Common Collateral under the First Priority Lien Debt Documents or otherwise in respect of First Priority Claims, or (z) object to the forbearance by the First Priority Lien Holders from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Common Collateral in respect of First Priority Claims; and (ii) except as otherwise set forth in this clause (ii), the First Priority Lien Collateral Trustee and the First Priority Lien Holders shall have the exclusive right to enforce rights, exercise remedies (including setoff and the right to credit bid) and to the extent provided herein make determinations regarding the release, disposition or restrictions with respect to the Common Collateral, and each Subordinated Lien Secured Party hereby affirmatively consents to any such release, disposition or restriction without any requirement of further consultation with or any additional consent of any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party; provided, however, that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Company or any other Grantor, each Subordinated Lien Debt Representative may file a proof of claim or statement of interest with respect to the applicable Subordinated Lien Claims and (B) each Subordinated Lien Debt Representative may take any action (not adverse to the First Priority Liens, or the rights of the First Priority Lien Collateral Trustee or the First Priority Lien Holders to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and

perfection and priority of its Lien on, the Common Collateral. In exercising rights and remedies with respect to the First Priority Lien Collateral, the First Priority Lien Collateral Trustee and the First Priority Lien Holders may enforce the provisions of the First Priority Lien Debt Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole and absolute discretion. Such exercise and enforcement shall include the rights of an agent or receiver appointed by them to sell or otherwise dispose of Common Collateral, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured lender under the Uniform Commercial Code or other laws of any applicable jurisdiction and of a secured creditor under the Bankruptcy Law of any applicable jurisdiction.

(b) So long as the Discharge of First Priority Claims has not occurred, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that it will not, in the context of its role as a creditor holding a security interest in or lien upon the Common Collateral take or receive any Common Collateral or any proceeds of Common Collateral in connection with (i) the exercise of any right or remedy (including setoff) with respect to any Common Collateral or (ii) in connection with any Insolvency or Liquidation Proceeding in respect of the applicable Subordinated Lien Claims. Without limiting the generality of the foregoing, unless and until the Discharge of First Priority Claims has occurred, except as expressly provided in the proviso in clause (ii) of Section 3.1(a), the sole right of the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties with respect to the Common Collateral or the proceeds thereof, whether or not an Insolvency or Liquidation Proceeding has commenced, is to hold a junior Lien on the Common Collateral in respect of the applicable Subordinated Lien Claims pursuant to the Subordinated Lien Debt Documents, as applicable, for the period and to the extent granted therein and to receive a share of the proceeds thereof, if any, after the Discharge of First Priority Claims has occurred.

(c) Subject to the proviso in clause (ii) of Section 3.1(a), each Subordinated Lien Debt Representative, for itself and on behalf of each applicable Subordinated Lien Secured Party (i) agrees that no Subordinated Lien Debt Representative or any Subordinated Lien Secured Party will take any action that would hinder any exercise of rights or remedies by the First Priority Lien Collateral Trustee or the First Priority Lien Holders with respect to the Common Collateral under the First Priority Lien Debt Documents or applicable law, including any sale, lease, exchange, transfer or other disposition of the Common Collateral, whether by foreclosure or otherwise or whether in connection with an Insolvency or Liquidation Proceeding or otherwise; and (ii) hereby waives any and all rights it or any Subordinated Lien Secured Party may have as a junior lien creditor to object to the manner in which the First Priority Lien Collateral Trustee or the First Priority Lien Holders seek to protect, enforce or collect the First Priority Claims or the Liens granted in any of the First Priority Lien Collateral or to any actions taken by or with respect to the Company, its Affiliates or other Grantors or their respective properties whether as part of any Insolvency or Liquidation Proceeding or otherwise, regardless of whether any action or failure to act by or on behalf of the First Priority Lien Collateral Trustee or First Priority Lien Holders is adverse to the interests of the Subordinated Lien Secured Parties.

(d) Each Subordinated Lien Debt Representative hereby acknowledges and agrees that no covenant, agreement or restriction contained in any applicable Subordinated Lien Debt Document shall be deemed to restrict in any way the rights and remedies of the First Priority

Lien Collateral Trustee or the First Priority Lien Holders with respect to the First Priority Lien Collateral as set forth in this Agreement and the First Priority Lien Debt Documents.

3.2 *Cooperation and Waivers.* Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that, unless and until the Discharge of First Priority Claims has occurred, it will not commence, or join with any Person (other than the First Priority Lien Holders and the First Priority Lien Collateral Trustee upon the request thereof) in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding with respect to any Lien held by it in the Common Collateral under any of the applicable Subordinated Lien Debt Documents or otherwise in respect of the applicable Subordinated Lien Claims. So long as the Discharge of First Priority Claims has not occurred, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right of a junior secured creditor (but not an unsecured creditor) to demand, request, plead, or otherwise assert, or otherwise claim the benefit of, any marshaling, appraisal, valuation, or other similar right that may otherwise be available under applicable law with respect to the Common Collateral or any other similar rights a junior secured creditor may have under applicable law.

Section 4. Payments.

4.1 *Application of Proceeds.* So long as the Discharge of First Priority Claims has not occurred, the Common Collateral and all proceeds thereof received in connection with any sale or other disposition of, realization on, or collection on or on account of any such Common Collateral shall first be applied by the First Priority Lien Collateral Trustee to the First Priority Claims in such order as specified in the relevant First Priority Lien Debt Documents until the Discharge of First Priority Claims has occurred. Upon the Discharge of First Priority Claims, the First Priority Lien Collateral Trustee shall deliver promptly to the Subordinated Lien Designated Agent any Common Collateral or proceeds thereof held by it in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Subordinated Lien Designated Agent ratably to the Subordinated Lien Claims and, with respect to each class of Subordinated Lien Claims, in such order as specified in the relevant Subordinated Lien Debt Documents.

4.2 *Payments Over.* Any Distribution from or in respect of any assets of any Grantor that constitute First Priority Lien Collateral or proceeds thereof that is received by any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party in contravention of this Agreement shall be segregated, shall not be commingled with any assets of the Subordinated Lien Secured Party and shall be held in trust for the benefit of and forthwith paid over to the First Priority Lien Collateral Trustee (and/or its designees) for the benefit of the applicable First Priority Lien Holders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The First Priority Lien Collateral Trustee is hereby authorized to make any such endorsements as agent for any Subordinated Lien Debt Representative or any such Subordinated Lien Secured Party. This authorization is coupled with an interest and is irrevocable.

4.3 *Payment Restrictions.* Notwithstanding the terms of the Subordinated Lien Debt Documents or any other provision of this Agreement to the contrary, the Company and the

Guarantors (by their execution hereof) hereby agree that they may not make, directly or indirectly, and each Subordinated Lien Debt representative, on behalf of each Subordinated Lien Holder, hereby agrees that it will not accept, any payment or other Distribution with respect to any of the Subordinated Lien Claims which the Company is prohibited from paying under the terms of the First Priority Lien Debt Documents as in effect as of the date hereof or this Agreement until the Discharge of First Priority Claims has occurred.

Section 5. Other Agreements.

5.1 *Releases.*

(a) If, at any time any Grantor or the holder of any First Priority Claim delivers notice to each Subordinated Lien Debt Representative that any specified Common Collateral (including all or substantially all of the equity interests of a Grantor or any of its Subsidiaries) is sold, transferred or otherwise disposed of by the owner of such Common Collateral in a transaction permitted under the Credit Agreement and the First Priority Senior Secured Notes Indenture; then (whether or not any Insolvency or Liquidation Proceeding is pending at the time) the Liens in favor of the Subordinated Lien Secured Parties upon such Collateral will automatically be released and discharged as and when, but only to the extent, such Liens on such Collateral securing First Priority Claims are released and discharged. Upon delivery to each Subordinated Lien Debt Representative of a notice from the First Priority Lien Collateral Trustee stating that any release of Liens securing or supporting the First Priority Claims has become effective (or shall become effective upon each Subordinated Lien Debt Representative's release), each Subordinated Lien Debt Representative will promptly execute and deliver such instruments, releases, termination statements or other documents confirming such release on customary terms. In the case of the sale of all of the equity interests of a Grantor or any of its Subsidiaries, the guarantee in favor of the Subordinated Lien Secured Parties, if any, made by such Grantor or Subsidiary will automatically be released and discharged as and when, but only to the extent, the guarantee by such Grantor or Subsidiary of First Priority Claims is released and discharged.

(b) Each Subordinated Lien Debt Representative, for itself and on behalf of each applicable Subordinated Lien Secured Party, hereby irrevocably constitutes and appoints the First Priority Lien Collateral Trustee and any officer or agent of the First Priority Lien Collateral Trustee, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of each Subordinated Lien Debt Representative or such holder or in the First Priority Lien Collateral Trustee's own name, from time to time in the First Priority Lien Collateral Trustee's discretion, for the purpose of carrying out the terms of this Section 5.1, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Section 5.1, including any termination statements, endorsements or other instruments of transfer or release.

(c) Unless and until the Discharge of First Priority Claims has occurred, each Subordinated Lien Debt Representative, for itself and on behalf of each applicable Subordinated Lien Secured Party, hereby consents to the application, whether prior to or after a default, of Deposit Account Collateral or proceeds of Common Collateral to the repayment of First Priority Claims pursuant to the Credit Agreement, the First Priority Senior Secured Notes Indenture or the First Lien Intercreditor Agreement.

5.2 *Insurance.* Unless and until the Discharge of First Priority Claims has occurred, the First Priority Lien Collateral Trustee and the First Priority Lien Holders shall have the sole and exclusive right, subject to the rights of the Grantors under the First Priority Lien Debt Documents, to adjust settlement for any insurance policy covering the Common Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting the Common Collateral. Unless and until the Discharge of First Priority Claims has occurred, all proceeds of any such policy and any such award if in respect of the Common Collateral shall be paid (a) first, prior to the occurrence of the Discharge of First Priority Claims, to the First Priority Lien Collateral Trustee for the benefit of First Priority Lien Holders pursuant to the terms of the First Priority Lien Debt Documents, (b) second, after the occurrence of the Discharge of First Priority Claims, to the Subordinated Lien Debt Representatives for the benefit of the Subordinated Lien Secured Parties pursuant to the terms of the applicable Subordinated Lien Debt Documents and (c) third, after the occurrence of the Discharge of First Priority Claims, if no Subordinated Lien Obligations are outstanding, to the owner of the subject property, such other person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct. If any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party shall, at any time, receive any proceeds of any such insurance policy or any such award in contravention of this Agreement, such proceeds shall be segregated and shall not be comingled with any assets of such Subordinated Lien Debt Representative or Subordinated Lien Secured Party and such Subordinated Lien Debt Representative or Subordinated Lien Secured Party shall hold such proceeds in trust for the benefit of, and pay such proceeds over to, the First Priority Lien Collateral Trustee in accordance with the terms of Section 4.2.

5.3 *Amendments to Subordinated Lien Debt Documents.*

(a) Without the prior written consent of the First Priority Lien Collateral Trustee and the holders of a majority of the First Priority Claims, no Subordinated Lien Debt Document may be amended, supplemented or otherwise modified or entered into to the extent such amendment, supplement or modification, or the terms of any new Subordinated Lien Debt Document, would be prohibited by or inconsistent with any of the terms of this Agreement.

(b) Each Subordinated Lien Debt Representative agrees that each applicable Subordinated Lien Security Document shall include the following language (or language to similar effect approved by the First Priority Lien Collateral Trustee):

"Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to the applicable Subordinated Lien Debt Representative pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted to (a) Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral trustee (and its permitted successors) pursuant to that certain Amended and Restated Security Agreement, dated as of March 18, 2011 (as amended, restated, supplemented or otherwise modified), by and among LBI Media, Inc., the other debtors party thereto and Credit Suisse AG, Cayman Islands Branch, as collateral trustee, and that certain Amended and Restated Pledge Agreement, dated as of March 18, 2011 (as amended, restated, supplemented or otherwise modified), by and among LBI Media, Inc., the other pledgors party thereto and Credit Suisse AG, Cayman Islands Branch, as collateral trustee, or (b) any agent or trustee for any other First Priority Lien Holders (as defined in the Intercreditor Agreement referred to below), and (ii) the exercise of any right or remedy by the applicable Subordinated Lien Debt Representative hereunder is subject to the limitations and

provisions of the Amended and Restated Intercreditor Agreement, dated as of December 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "*Intercreditor Agreement*"), by and among Credit Suisse AG, Cayman Islands Branch, as first priority lien collateral trustee, U.S. Bank National Association as trustee and collateral agent, LBI Media, Inc. and the other parties party thereto. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, the terms of the Intercreditor Agreement shall govern".

(c) So long as the Discharge of First Priority Claims has not occurred, and notwithstanding anything to the contrary contained in the Subordinated Lien Debt Documents, no Subordinated Lien Debt Document shall be amended, modified, or supplemented in a fashion that would (a) increase the maximum principal amount of the Subordinated Lien Debt or rate of interest (or cash pay rate of interest) on any of the Subordinated Lien Debt, (b) change (to any earlier dates) the dates upon which payments of principal or interest on the Subordinated Lien Debt are due, (c) add a "financial maintenance" covenant or add or modify, in a manner adverse to any Grantor any covenant, agreement or event of default with respect to the Subordinated Lien Debt unless a conforming addition or modification is made with respect to the First Priority Lien Debt, (d) other than, in the case of the Second Priority Secured Subordinated Notes Documents, amendments in connection with the 2014 Second Lien Notes Exchange Offer and Solicitation, change any redemption or prepayment provisions of the Subordinated Lien Debt, or (e) change or amend any other term of the Subordinated Lien Debt Documents if such change or amendment would increase the obligations of any Grantor on account of the Subordinated Lien Debt or confer additional material rights on any Subordinated Lien Secured Party or any other holder of the Subordinated Lien Claims in a manner adverse to any Grantor or any First Priority Lien Holder.

(d) In the event that the First Priority Lien Collateral Trustee or the requisite First Priority Lien Holders enter into any amendment, waiver or consent in respect of or replace any of the First Priority Lien Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Lien Security Document or changing in any manner the rights of the First Priority Lien Collateral Trustee, the First Priority Lien Holders, the Company or any other Grantor thereunder (excluding, however, the actual release of any Liens in First Priority Lien Collateral), then such amendment, waiver or consent shall apply automatically, *mutatis mutandis*, to any comparable provision of each Comparable Subordinated Lien Security Document without the consent of any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party and without any action by any Subordinated Lien Debt Representative, Subordinated Lien Secured Party, the Company or any other Grantor; provided, however, that such automatic amendment, waiver or consent will be operative only if (A) such amendment, waiver or consent does not materially adversely affect the rights of the Subordinated Lien Secured Parties or the interests of the Subordinated Lien Secured Parties in the Subordinated Lien Collateral and not the First Priority Lien Collateral Trustee or the First Priority Lien Holders, as the case may be, that have a security interest in the affected collateral in a like or similar manner, and (B) written notice of such amendment, waiver or consent shall have been given to each Subordinated Lien Debt Representative.

5.4 *Rights As Unsecured Creditors.* The Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties may exercise rights and remedies as an unsecured creditor against the Company or any Subsidiary that has guaranteed the Subordinated Lien Claims in accordance with the terms of the applicable Subordinated Lien Debt Documents and applicable

law except to the extent the exercise of such rights and remedies conflicts with the provisions set forth in Sections 2.2, 2.3, 3.1(a), 3.1(c), 4.2, 4.3, 5.2, 6.1 through 6.11, 7.3, 8.5 and 8.21. Nothing in this Agreement shall prohibit the receipt by any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party of the required payments of interest and principal so long as such receipt is not in violation of the First Priority Lien Debt Documents as in effect as of the date hereof or this Agreement. In the event any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party becomes a judgment lien creditor in respect of any assets of any Grantor that constitute First Priority Lien Collateral a result of its enforcement of its rights as an unsecured creditor in respect of Subordinated Lien Claims, such judgment lien shall be subordinated to the Liens securing First Priority Claims on the same basis as the other Liens securing the Subordinated Lien Claims are so subordinated to such Liens securing First Priority Claims under this Agreement and shall otherwise be subject to the terms of this Agreement for all purposes to the same extent as all other Liens granted to the Subordinated Lien Secured Parties. Nothing in this Section 5.4 or in any other provision of this Agreement shall impair or otherwise adversely affect any rights or remedies that the First Priority Lien Collateral Trustee or the First Priority Lien Holders may have in any capacity with respect to the First Priority Lien Collateral.

5.5 *First Priority Lien Collateral Trustee as Gratuitous Bailee for Perfection.*

(a) The First Priority Lien Collateral Trustee agrees to hold the Pledged Collateral that is part of the Common Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for each Subordinated Lien Debt Representative and any assignee solely for the purpose of perfecting the security interest granted in such Pledged Collateral pursuant to the Subordinated Lien Security Documents, subject to the terms and conditions of this Section 5.5.

(b) The First Priority Lien Collateral Trustee agrees to hold the Deposit Account Collateral that is part of the Common Collateral and controlled by the First Priority Lien Collateral Trustee as gratuitous bailee for each Subordinated Lien Debt Representative and any assignee solely for the purpose of perfecting the security interest granted in such Deposit Account Collateral pursuant to the Subordinated Lien Security Documents, subject to the terms and conditions of this Section 5.5.

(c) Except as otherwise specifically provided herein (including Sections 3.1 and 4.1), until the Discharge of First Priority Claims has occurred, the First Priority Lien Collateral Trustee shall be entitled to deal with the Pledged Collateral in accordance with the terms of the First Priority Lien Debt Documents as if the Liens under the Subordinated Lien Security Documents did not exist. The rights of the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties with respect to such Pledged Collateral shall at all times be subject to the terms of this Agreement.

(d) The First Priority Lien Collateral Trustee shall have no obligation whatsoever to any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party to assure that the Pledged Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Common Collateral except as expressly set forth in this Section 5.5. The duties or responsibilities of the First Priority Lien Collateral Trustee under this Section 5.5 shall be limited solely to holding the Pledged Collateral as

gratuitous bailee for each Subordinated Lien Debt Representative for purposes of perfecting the Lien held by the Subordinated Lien Secured Parties.

(e) The First Priority Lien Collateral Trustee shall not have by reason of the Subordinated Lien Security Documents or this Agreement or any other document a fiduciary relationship in respect of any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party and the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties hereby waive and release the First Priority Lien Collateral Trustee from all claims and liabilities arising pursuant to the First Priority Lien Collateral Trustee's role under this Section 5.5, as agent and gratuitous bailee with respect to the Common Collateral.

(f) Upon the Discharge of First Priority Claims, the First Priority Lien Collateral Trustee shall deliver to the Subordinated Lien Designated Agent, to the extent that it is legally permitted to do so, the remaining Pledged Collateral (if any) and the Deposit Account Collateral (if any) together with any necessary endorsements (or otherwise allow the Subordinated Lien Designated Agent to obtain control of such Pledged Collateral and Deposit Account Collateral) or as a court of competent jurisdiction may otherwise direct. The Company shall take such further action as is required to effectuate the transfer contemplated hereby and shall indemnify the First Priority Lien Collateral Trustee for loss or damage suffered by the First Priority Lien Collateral Trustee as a result of such transfer except for loss or damage suffered by the First Priority Lien Collateral Trustee as a result of its own willful misconduct, gross negligence or bad faith. The First Priority Lien Collateral Trustee has no obligation to follow instructions from any Subordinated Lien Debt Representative in contravention of this Agreement.

(g) Neither the First Priority Lien Collateral Trustee nor the First Priority Lien Holders shall be required to marshal any present or future collateral security for the Company's or its Subsidiaries' obligations to the First Priority Lien Collateral Trustee or the First Priority Lien Holders under the First Priority Lien Debt Documents or the First Priority Lien Security Documents or any assurance of payment in respect thereof or to resort to such collateral security or other assurances of payment in any particular order, and all of their rights in respect of such collateral security or any assurance of payment in respect thereof shall be cumulative and in addition to all other rights, however existing or arising.

5.6 *Subordinated Lien Designated Agent as Gratuitous Bailee for Perfection.*

(a) Upon the Discharge of First Priority Claims, the Subordinated Lien Designated Agent agrees to hold the Pledged Collateral that is part of the Common Collateral in its possession or control (or in the possession or control of its agents or bailees) as gratuitous bailee for the other Subordinated Lien Debt Representatives and any assignee solely for the purpose of perfecting the security interest granted in such Pledged Collateral pursuant to the applicable Subordinated Lien Security Document, subject to the terms and conditions of this Section 5.6.

(b) Upon the Discharge of First Priority Claims, the Subordinated Lien Designated Agent agrees to hold the Deposit Account Collateral that is part of the Common Collateral and controlled by the Subordinated Lien Designated Agent as gratuitous bailee for the other Subordinated Lien Debt Representatives and any assignee solely for the purpose of perfecting the security interest granted in such Deposit Account Collateral pursuant to the applicable Subordinated Lien Security Document, subject to the terms and conditions of this Section 5.6.

(c) In the event that the Subordinated Lien Designated Agent (or its agent or bailees) has Lien filings against intellectual property that is part of the Common Collateral that are necessary for the perfection of Liens in such Common Collateral, upon the Discharge of First Priority Claims, the Subordinated Lien Designated Agent agrees to hold such Liens as gratuitous bailee for the other Subordinated Lien Debt Representatives and any assignee solely for the purpose of perfecting the security interest granted in such Liens pursuant to the applicable Subordinated Lien Security Document, subject to the terms and conditions of this Section 5.6.

(d) The Subordinated Lien Designated Agent, in its capacity as gratuitous bailee, shall have no obligation whatsoever to the other Subordinated Lien Debt Representatives to assure that the Pledged Collateral is genuine or owned by the Grantors or to protect or preserve rights or benefits of any Person or any rights pertaining to the Common Collateral except as expressly set forth in this Section 5.6. The duties or responsibilities of the Subordinated Lien Designated Agent under this Section 5.6 upon the Discharge of First Priority Claims shall be limited solely to holding the Pledged Collateral as gratuitous bailee for the other Subordinated Lien Debt Representatives for purposes of perfecting the Lien held by the applicable Subordinated Lien Secured Parties.

(e) The Subordinated Lien Designated Agent shall not have by reason of the Subordinated Lien Security Documents or this Agreement or any other document a fiduciary relationship in respect of the other Subordinated Lien Debt Representatives (or the Subordinated Lien Secured Parties for which such other Subordinated Lien Debt Representatives is agent) and the other Subordinated Lien Debt Representatives hereby waive and release the Subordinated Lien Designated Agent from all claims and liabilities arising pursuant to the Subordinated Lien Designated Agent's role under this Section 5.6, as agent and gratuitous bailee with respect to the Common Collateral.

(f) In the event that the Subordinated Lien Designated Agent shall cease to be so designated the Subordinated Lien Designated Agent pursuant to the definition of such term, the then Subordinated Lien Designated Agent shall deliver to the successor Subordinated Lien Designated Agent, to the extent that it is legally permitted to do so, the remaining Pledged Collateral (if any) and the Deposit Account Collateral (if any) together with any necessary endorsements (or otherwise allow the successor Subordinated Lien Designated Agent to obtain control of such Pledged Collateral and Deposit Account Collateral) or as a court of competent jurisdiction may otherwise direct, and such successor Subordinated Lien Designated Agent shall perform all duties of the Subordinated Lien Designated Agent as set forth herein. The Company shall take such further action as is required to effectuate the transfer contemplated hereto and shall indemnify the Subordinated Lien Designated Agent for loss or damage suffered by the Subordinated Lien Designated Agent as a result of such transfer except for loss or damage suffered by the Subordinated Lien Designated Agent as a result of its own willful misconduct, gross negligence or bad faith. The Subordinated Lien Designated Agent has no obligation to follow instructions from the successor Subordinated Lien Designated Agent in contravention of this Agreement.

5.7 *No Release If Event of Default.* Notwithstanding any other provisions contained in this Agreement, if an Event of Default (as defined in the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or any other Subordinated Lien Debt Document, as applicable) exists on the date on which the Discharge of First Priority Claims has occurred, then the junior Liens on the Subordinated Lien

Collateral securing the Subordinated Lien Claims relating to such Event of Default will not be released, except to the extent such Collateral or any portion thereof was disposed of in order to repay the First Priority Lien Debt secured by such Collateral, and thereafter the applicable Subordinated Lien Debt Representative will have the right to direct the First Priority Lien Collateral Trustee to foreclose upon such Collateral (but in any such event, the Liens on such Collateral securing the applicable Subordinated Lien Claims will be released when such Event of Default and all other Events of Default under the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or any other Subordinated Lien Debt Document, as applicable, cease to exist).

Section 6. Insolvency or Liquidation Proceedings.

6.1 *Financing and Sale Issues.* If the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding, then each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that: (a) if the First Priority Lien Collateral Trustee and/or the First Priority Lien Secured Parties shall desire to permit the use of cash collateral or to permit the Company or any other Grantor to obtain financing (including on a priming basis) under Section 363 or Section 364 of the Bankruptcy Code or any similar provision in any Bankruptcy Law ("*DIP Financing*"), whether from the First Priority Lien Secured Parties or any other third party (including, but not limited to, any such financing (x) which represents an advance by some or all of the First Priority Lien Secured Parties following repayment of amounts of First Priority Lien Obligations with cash collateral or (y) the proceeds of which are used, in whole or in part, to repay First Priority Lien Obligations owed to some or all of the First Priority Lien Secured Parties), it will not object to and will not otherwise contest such use of cash collateral or DIP Financing and will not request adequate protection or any other relief in connection therewith (<u>except to the extent permitted by the proviso in clause (ii) of Section 3.1(a) and Section 6.3</u>), and, to the extent the First Priority Liens are subordinated or *pari passu* with such DIP Financing and any "carve-out" authorized by the bankruptcy court in connection with such DIP Financing, will subordinate its Liens in the Common Collateral to such DIP Financing (and all Obligations relating thereto) and such "carve-out" on the same basis as the other Liens securing the Subordinated Lien Claims are so subordinated to the First Priority Liens under this Agreement; (b) it will not, absent the express written consent of the First Priority Lien Collateral Trustee and the holders of a majority of the First Lien Claims, propose or provide any financing to the Company or any other Grantor under Section 363 or Section 364 of the Bankruptcy Code or any similar provision in any Bankruptcy Law; (c) it will not object to and will not otherwise contest and will support any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of First Priority Claims made by the First Priority Lien Collateral Trustee or any holder of First Priority Claims; (d) it will not object to and will not otherwise contest and will support any exercise by any holder of First Priority Claims of the right to credit bid First Priority Claims at any sale in foreclosure of First Priority Lien Collateral; (e) it will not object to and will not otherwise contest and will support any other request for judicial relief made in any court by any holder of First Priority Claims relating to the enforcement of any Lien on First Priority Lien Collateral; (f) it will not object to and will not otherwise contest and will support any motion or order relating to a sale of assets of the Company or any Grantor to which the First Priority Lien Collateral Trustee has consented that provides, to the extent the sale is to be free and clear of Liens, that the Liens securing the First Priority Claims and the Subordinated Lien Claims will attach to the proceeds of the sale on the same basis of priority as the Liens securing the First Priority Lien Collateral rank to the Liens securing the

Subordinated Lien Collateral in accordance with this Agreement, whether or not such proceeds are sufficient to pay all First Priority Claims; and (g) it will not object to and will not otherwise contest, in each case, for any reason premised upon the Subordinated Lien Secured Parties' rights as junior secured creditors (but not as unsecured creditors), any motion or order relating to a sale of assets of the Company or any Grantor, under Section 363 of the Bankruptcy Code, pursuant to a chapter 11 plan, or otherwise, pursuant to which the First Priority Lien Collateral Trustee may credit bid some or all of the First Priority Claims, and that it will be deemed to consent to any such credit bid and the sale of any or all First Priority Lien Collateral free and clear of any and all Liens, including, but not limited to, the Liens of the Subordinated Lien Secured Parties, pursuant to Bankruptcy Code Section 363(f)(2).

6.2 *Relief from the Automatic Stay.* Until the Discharge of First Priority Claims has occurred, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees not to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any assets of any Grantor that constitute First Priority Lien Collateral without the prior written consent of the First Priority Lien Collateral Trustee and the holders of a majority of the First Priority Claims.

6.3 *Adequate Protection.* Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, agrees that none of them shall oppose or otherwise contest (or support any other Person contesting) (a) any request by the First Priority Lien Collateral Trustee or the First Priority Lien Holders for adequate protection or (b) any objection by the First Priority Lien Collateral Trustee or the First Priority Lien Holders to any motion, relief, action or proceeding based on the First Priority Lien Collateral Trustee's or the First Priority Lien Holders' claiming a lack of adequate protection. Notwithstanding the foregoing, (i) if the First Priority Lien Holders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of the Bankruptcy Code or any similar Bankruptcy Law, then each Subordinated Lien Debt Representative, on behalf of itself and any applicable Subordinated Lien Secured Party, may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which replacement Lien shall be subordinated to the Liens securing the First Priority Claims and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Subordinated Lien Claims are so subordinated to the Liens securing First Priority Claims under this Agreement; (ii) in the event any Subordinated Lien Debt Representative, on behalf of itself or any applicable Subordinated Lien Secured Party, seeks or requests adequate protection and such adequate protection is granted in the form of additional collateral, then such Subordinated Lien Debt Representative, on behalf of itself or each such Subordinated Lien Secured Party, agrees that the First Priority Lien Debt Representatives shall also be granted a senior Lien on such additional collateral as security for the applicable First Priority Claims and any such DIP Financing and that any Lien on such additional collateral securing the Subordinated Lien Claims shall be subordinated to the Liens on such collateral securing the First Priority Claims and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the First Priority Lien Holders as adequate protection on the same basis as the other Liens securing the Subordinated Lien Claims are so subordinated to such Liens securing First Priority Claims under this Agreement and (iii) any claim by a Subordinated Lien Holder under Section 507(b) of the Bankruptcy Code will be subordinate to any claim of any First Priority Lien Holder under Section 507(b) of the Bankruptcy Code and any Distribution with respect thereto shall be deemed to be proceeds of Common Collateral subject to the provisions of this Agreement.

Regardless of the scope of adequate protection granted to the First Priority Lien Collateral Trustee or the First Priority Lien Holders, any adequate protection granted to Subordinated Lien Debt Representative, on behalf of itself or any applicable Subordinated Lien Secured Party, shall be limited to replacement Liens on the terms set forth in this Section 6.3.

6.4 *Avoidance Issues.* If any First Priority Lien Holder is required in any Insolvency or Liquidation Proceeding or otherwise to turn over, disgorge or otherwise pay to the estate of the Company or any other Grantor (or any trustee, receiver, representative or similar person therefor), because the payment of such amount was declared to be fraudulent, preferential or avoidable in any respect or for any other reason, any amount (a *"Recovery"*), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then the First Priority Claims shall be reinstated in the amount of and to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred, and, if the Discharge of First Priority Claims has occurred, then such Discharge of First Priority Claims shall automatically be deemed to have not occurred and the amount of such Recovery shall automatically be treated as First Priority Claims for all purposes of this Agreement. If this Agreement shall have been terminated prior to any Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. Any amounts received by any Subordinated Lien Holder in respect of the Common Collateral on account of the Subordinated Lien Obligations after the termination of this Agreement shall, in the event of a reinstatement of this Agreement pursuant to this Section 6.4, be held in trust for and paid over to the First Priority Lien Collateral Trustee for the benefit of the First Priority Lien Secured Parties for application to the reinstated First Priority Claims. This Section 6.4 shall survive termination of this Agreement.

6.5 *Reorganization Securities.* If, in any Insolvency or Liquidation Proceeding, debt obligations of any successor to any Grantor (whether a "reorganized debtor," acquirer of assets, or otherwise) secured by Liens upon any property of the successor are distributed, pursuant to a bankruptcy plan or similar arrangement, both on account of First Priority Claims and on account of Subordinated Lien Claims, then, to the extent the debt obligations distributed on account of the First Priority Claims and on account of the Subordinated Lien Claims are secured by Liens upon any property, any Distributions from or in respect of such property or proceeds thereof shall be (i) used solely to pay First Priority Claims until the Discharge of First Priority Claims occurs and (ii) paid directly to the holders of the First Priority Claims and shall not be considered a Distribution to the holders of the Subordinated Lien Claims or otherwise reduce the obligations owed by any successor to any Grantor to the holders of Subordinated Lien Claims. Any Distribution from or in respect of such property or proceeds thereof that is received by any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party in contravention of this Section 6.5 shall be segregated, shall not be commingled with any assets of the Subordinated Lien Secured Party and shall be held in trust for the benefit of and forthwith paid over to the First Priority Lien Collateral Trustee (and/or its designees) for the benefit of the applicable First Priority Lien Holders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The First Priority Lien Collateral Trustee is hereby authorized to make any such endorsements as agent for any Subordinated Lien Debt Representative or any such Subordinated Lien Secured Party. This authorization is coupled with an interest and is irrevocable.

6.6 *No Waiver; Voting Rights.*

(a) Nothing contained herein shall prohibit or in any way limit the First Priority Lien Collateral Trustee or any First Priority Lien Secured Party from objecting on any basis in any Insolvency or Liquidation Proceeding or otherwise to any action taken by any Subordinated Lien Debt Representative or any other Subordinated Lien Secured Party, including the seeking by any Subordinated Lien Debt Representative or any other Subordinated Lien Secured Party of adequate protection or the assertion by any Subordinated Lien Representative or any other Subordinated Lien Secured Party of any of its rights and remedies under the Subordinated Lien Debt Documents or otherwise.

(b) Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, further agrees that it shall not propose, support or vote any claims to accept any bankruptcy plan, similar arrangement or disclosure statement of the Company or any Grantor, and shall not join with or support any Person in doing so, unless such plan or arrangement provides for the payment in full in cash of all First Priority Claims (including all post-petition amounts as provided in Section 6.7 hereof) on the effective date of such plan or arrangement, unless the holders of a majority of the First Priority Claims consent to such plan, arrangement or disclosure statement.

6.7 *Post-Petition Amounts.*

(a) None of the Subordinated Lien Debt Representatives or any other Subordinated Lien Secured Party shall oppose or seek to challenge any claim by the First Priority Lien Collateral Trustee or any other First Priority Lien Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Priority Lien Obligations consisting of post-petition interest, fees or expenses, including, without limitation, any prepayment premium or penalty or make- whole amount. Regardless of whether any such claim for post-petition interest, fees or expenses is allowed, allowable, recognized or provable, and without limiting the generality of the other provisions of this Agreement, this Agreement expressly is intended to include and does include the "rule of explicitness" in that this Agreement expressly entitles the First Priority Lien Secured Parties, and is intended to provide the First Priority Lien Secured Parties with the absolute right, to receive payment of all post-petition interest, fees or expenses through distributions made pursuant to the provisions of this Agreement even if such interest, fees and expenses are not allowed or allowable against, or paid from, the bankruptcy estate of the Company or any other Grantor under Section 502(b)(2) or Section 506(b) of the Bankruptcy Code or under any other provision of the Bankruptcy Code or any other Bankruptcy Law.

(b) Without limiting the foregoing, it is the intention of the parties hereto that (and to the maximum extent permitted by law the parties hereto agree that) the First Priority Claims (and the security therefor) constitute a separate and distinct class (based upon separate and distinct claims) from the Subordinated Lien Claims (and the security therefor). As such, the parties agree that because of, among other things, their differing rights in the Common Collateral, the First Priority Claims are fundamentally different from the Subordinated Lien Claims and must be separately classified in any bankruptcy plan. Nevertheless, if it is held by any court that the First Priority Claims and the Subordinated Lien Claims constitute only one claim or may be classified as a single class of claims (rather than separate classes of senior and junior claims), then all Distributions on account of such claim or to such class shall be reallocated as if there were separate classes of claims and Distributions were made to such separate classes in accordance with this Agreement. Any Distribution of any property that is received by any Subordinated Lien Debt

Representative or any Subordinated Lien Secured Party in contravention of this Section 6.7(b) shall be segregated, shall not be commingled with any assets of the Subordinated Lien Secured Party and shall be held in trust for the benefit of and forthwith paid over to the First Priority Lien Collateral Trustee (and/or its designees) for the benefit of the applicable First Priority Lien Holders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The First Priority Lien Collateral Trustee is hereby authorized to make any such endorsements as agent for any Subordinated Lien Debt Representative or any such Subordinated Lien Secured Party. This authorization is coupled with an interest and is irrevocable.

6.8 *Additional Waivers.* Each Subordinated Lien Debt Representative, for itself and on behalf of the other Subordinated Lien Secured Parties, waives any claim it may hereafter have as a junior secured creditor against any First Priority Lien Secured Party arising out of the election by any First Priority Lien Secured Party of the application to the claims of any First Priority Lien Secured Party of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or DIP Financing arrangement or out of any grant of a security interest in connection with any assets of any Grantor that constitute First Priority Lien Collateral in any Insolvency or Liquidation Proceeding.

6.9 *Limitations.* So long as the Discharge of First Priority Claims has not occurred, without the express written consent of the First Priority Lien Debt Representatives, none of the Subordinated Lien Secured Parties shall (or shall join with or support any Person making, opposing, objecting or contesting, as the case may be) in any Insolvency or Liquidation Proceeding involving the Company or any grantor (a) oppose, object to or contest the determination or the extent of any Liens held by any of the First Priority Lien Secured Parties or the value of any First Priority Claims under Section 506(a) of the Bankruptcy Code; or (b) oppose, object to or contest the allowance of any payment to the First Priority Lien Secured Parties or interest, fees or expenses under Section 506(b) of the Bankruptcy Code.

6.10 *Application.* This Agreement shall be applicable prior to and after the commencement of any Insolvency or Liquidation Proceeding. All references herein to any Grantor shall apply to any trustee or other estate representative for such Person and such Person as debtor in possession. The relative rights as to the Collateral and proceeds thereof shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, any Grantor.

6.11 *Surcharge.* Until the Discharge of First Priority Claims has occurred, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, will not assert, support or enforce any claim under Section 506(c) of the Bankruptcy Code senior to or on a parity with the Liens securing the First Priority Claims for costs or expenses of preserving or disposing of any Common Collateral. If any Liens securing the First Priority Claims are subordinated to an administrative priority claim or any other claim, then the Liens securing the Subordinated Lien Claims shall also be subordinated to such claim and shall remain on the same basis of priority as the Liens securing the First Priority Lien Collateral rank to the Liens securing the Subordinated Lien Collateral in accordance with this Agreement. If any Liens securing the First Priority Claims are subject to any surcharge, any professional fee "carve out" or any charge on account of fees owed to the United States Trustee, the amount of any such surcharge, carve out or charge shall also be imposed on the Liens securing the Subordinated Lien Claims, and

any reductions in any Distributions resulting from such surcharge, carve out or charge shall be allocated first to the Liens securing the Subordinated Lien Claims.

Section 7. Reliance; Waivers; etc.

7.1 *Reliance.* The consent by the First Priority Lien Holders to the execution and delivery of the Subordinated Lien Debt Documents to which the First Priority Lien Holders have consented and all loans and other extensions of credit made or deemed made on and after the date hereof by the First Priority Lien Holders to the Company or any Subsidiary shall be deemed to have been given and made in reliance upon this Agreement. Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, acknowledges that it and the applicable Subordinated Lien Secured Parties have, independently and without reliance on the First Priority Lien Collateral Trustee or any First Priority Lien Holder, and based on documents and information deemed by them appropriate, made their own credit analysis and decision to enter into the applicable Subordinated Lien Debt Document, this Agreement and the transactions contemplated hereby and thereby and they will continue to make their own credit decision in taking or not taking any action under the applicable Subordinated Lien Debt Document or this Agreement.

7.2 *No Warranties or Liability.* Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, acknowledges and agrees that neither the First Priority Lien Collateral Trustee nor any First Priority Lien Holder has made any express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectability or enforceability of any of the First Priority Lien Debt Documents, the ownership of any Common Collateral or the perfection or priority of any Liens thereon. The First Priority Lien Holders will be entitled to manage and supervise their respective loans and extensions of credit under the First Priority Lien Debt Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate, and the First Priority Lien Holders may manage their loans and extensions of credit without regard to any rights or interests that any Subordinated Lien Debt Representative or any of the Subordinated Lien Secured Parties have in the Common Collateral or otherwise, except as otherwise provided in this Agreement. Neither the First Priority Lien Collateral Trustee nor any First Priority Lien Holder shall have any duty to any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party to act or refrain from acting in a manner that allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Company or any Subsidiary thereof (including the Subordinated Lien Debt Documents), regardless of any knowledge thereof that they may have or be charged with. Except as expressly set forth in this Agreement, the First Priority Lien Collateral Trustee, the First Priority Lien Holders, the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties have not otherwise made to each other, nor do they hereby make to each other, any warranties, express or implied, nor do they assume any liability to each other with respect to (a) the enforceability, validity, value or collectability of any of the Subordinated Lien Claims, the First Priority Claims or any guarantee or security which may have been granted to any of them in connection therewith, (b) the Company's or any other Grantor's title to or right to transfer any of the Common Collateral or (c) any other matter except as expressly set forth in this Agreement.

7.3 *Obligations Unconditional.* All rights, interests, agreements and obligations of the First Priority Lien Collateral Trustee and the First Priority Lien Holders, and the

Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Priority Lien Debt Documents or any Subordinated Lien Debt Documents;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the First Priority Claims or Subordinated Lien Claims, or any refinancing, amendment or waiver or other modification, including any increase or purported decrease in the amount thereof, whether by course of conduct, under the terms of a bankruptcy plan or otherwise, of the terms of the Credit Agreement, the First Priority Senior Secured Notes Indenture or any other First Priority Lien Debt Document or of the terms of the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or any other Subordinated Lien Debt Document;

(c) any exchange of any security interest in any Common Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the First Priority Claims or Subordinated Lien Claims or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Company, any other Grantor or any of their respective assets; or

(e) any other circumstances that otherwise might constitute a defense available to, or a discharge of, the Company or any other Grantor in respect of the First Priority Claims, or of any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party in respect of this Agreement.

Section 8. Miscellaneous.

8.1 *Conflicts.*

(a) Subject to Section 8.19, in the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Lien Debt Document or any Subordinated Lien Debt Document, the provisions of this Agreement shall govern.

(b) As it relates to the rights and obligations between and among the First Priority Lien Collateral Trustee and the other First Priority Lien Secured Parties, in the event of any conflict between the provisions of this Agreement and the First Lien Intercreditor Agreement, the provisions of the First Lien Intercreditor Agreement shall govern.

8.2 *Continuing Nature of this Agreement; Severability.* Subject to Section 6.4, this Agreement shall continue to be effective until the Discharge of First Priority Claims shall have occurred or such later time as all the Obligations in respect of the Subordinated Lien Claims shall have been paid in full. This is a continuing agreement of lien subordination and the First Priority Lien Holders may continue, at any time and without notice to each Subordinated Lien Debt Representative or any Subordinated Lien Secured Party, to extend credit and other financial accommodations and lend monies to or for the benefit of the Company or any other Grantor constituting First Priority Claims in reliance hereon. The terms of this Agreement shall survive, and

shall continue in full force and effect, in any Insolvency or Liquidation Proceeding and all converted or succeeding cases in respect thereof. The parties' relative rights in or to any Distributions from or in respect of any Common Collateral or proceeds of Common Collateral, shall continue after the commencement of any Insolvency or Liquidation Proceeding. Accordingly, the provisions of this Agreement are intended to be and shall be enforceable as a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.3 *Amendments; Waivers.* No amendment, modification or waiver of any of the provisions of this Agreement by any Subordinated Lien Debt Representative or any First Priority Lien Debt Representative shall be deemed to be made unless the same shall be in writing signed on behalf of the party making the same or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. The Company and the other Grantors shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent their rights are affected. Notwithstanding anything in this Section 8.3 to the contrary, this Agreement may be amended from time to time at the request of the Company, at the Company's expense, and without the consent of any Subordinated Lien Debt Representative, any First Priority Lien Debt Representative, any First Priority Lien Holder or any Subordinated Lien Secured Party to (i) add other parties holding Future Subordinated Lien Indebtedness (or any agent or trustee therefor) to the extent such Indebtedness is not prohibited by the Credit Agreement, the First Priority Senior Secured Notes Indenture, the Senior Secured Notes Indenture or any other Subordinated Lien Debt Document governing Future Subordinated Lien Indebtedness, and (ii) in the case of Future Subordinated Lien Indebtedness, (a) establish that the Lien on the Common Collateral securing such Future Subordinated Lien Indebtedness shall be junior and subordinate in all respects to all Liens on the Common Collateral securing any First Priority Claims and shall share in the benefits of the Common Collateral equally and ratably with all Liens on the Common Collateral securing any Subordinated Lien Claims, and (b) provide to the holders of such Future Subordinated Lien Indebtedness (or any agent or trustee thereof) the comparable rights and benefits (including any improved rights and benefits that have been consented to by the First Priority Lien Collateral Trustee) as are provided to the holders of Subordinated Lien Claims under this Agreement, in each case so long as such modifications do not expressly violate the provisions of the Credit Agreement, the First Priority Senior Secured Notes Indenture, the Senior Secured Notes Indenture or any other Subordinated Lien Debt Document governing Future Subordinated Lien Indebtedness. Any such additional party and each Subordinated Lien Debt Representative shall be entitled to rely on the determination of officers of the Company that such modifications do not violate the Credit Agreement, the First Priority Senior Secured Notes Indenture, the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or any other Subordinated Lien Debt Document governing Future Subordinated Lien Indebtedness if such determination is set forth in an officer's certificate delivered to such party, the First Priority Lien Collateral Trustee and each Subordinated Lien Debt Representative; *provided, however,* that such determination will not affect whether or not the Company has complied with its undertakings in the Credit Agreement, the First Priority Senior Secured Notes Indenture, the First Priority Lien Security Documents, the Senior

Secured Notes Indenture, any other Subordinated Lien Debt Document governing Future Subordinated Lien Indebtedness, the Subordinated Lien Security Documents or this Agreement.

8.4 *Information Concerning Financial Condition of the Company and the Subsidiaries.* The First Priority Lien Collateral Trustee, the First Priority Lien Holders, each Subordinated Lien Debt Representative and the Subordinated Lien Secured Parties shall each be independently responsible for keeping themselves informed of (a) the financial condition of the Company and the Subsidiaries and all endorsers and/or guarantors of the Subordinated Lien Claims or the First Priority Claims and (b) all other circumstances bearing upon the risk of nonpayment of the Subordinated Lien Claims or the First Priority Claims. The First Priority Lien Collateral Trustee, the First Priority Lien Holders, each Subordinated Lien Debt Representative and the Subordinated Lien Secured Parties shall have no duty to advise any other party hereunder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event that the First Priority Lien Collateral Trustee, any First Priority Lien Holder, any Subordinated Lien Debt Representative or any Subordinated Lien Secured Party, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to any other party, it or they shall be under no obligation (w) to make, and the First Priority Lien Collateral Trustee, the First Priority Lien Holders, the Subordinated Lien Debt Representatives and the Subordinated Lien Secured Parties shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (x) to provide any additional information or to provide any such information on any subsequent occasion, (y) to undertake any investigation or (z) to disclose any information that, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

8.5 *Subrogation.* Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, hereby waives any rights of reimbursement, indemnity, contribution or subrogation it may acquire as a result of any payment hereunder until the Discharge of First Priority Claims has occurred.

8.6 *Application of Payments.* Except as otherwise provided herein, all payments received by the First Priority Lien Holders may be applied, reversed and reapplied, in whole or in part, to such part of the First Priority Claims as the First Priority Lien Holders, in their sole discretion, deem appropriate, consistent with the terms of the First Priority Lien Debt Documents. Except as otherwise provided herein, each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, assents to any such extension or postponement of the time of payment of the First Priority Claims or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security that may at any time secure any part of the First Priority Claims and to the addition or release of any other Person primarily or secondarily liable therefor.

8.7 *Consent to Jurisdiction; Waivers.* The parties hereto consent to the jurisdiction of any state or federal court located in New York, New York, and consent that all service of process may be made by registered mail directed to such party as provided in Section 8.8 for such party. Service so made shall be deemed to be completed three days after the same shall be posted as aforesaid. The parties hereto waive any objection to any action instituted hereunder in any such court based on forum non conveniens, and any objection to the venue of any action instituted hereunder in any such court. Each of the parties hereto waives any right it may have to trial by jury

in respect of any litigation based on, or arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, verbal or written statement or action of any party hereto in connection with the subject matter hereof; the scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter hereof, including contract claims, tort claims, breach of duty claims, and all other common law and statutory claims.

8.8 *Notices.* All notices to the Subordinated Lien Secured Parties and the First Priority Lien Holders permitted or required under this Agreement may be sent to the First Priority Lien Debt Representatives or any Subordinated Lien Debt Representative as provided in the Credit Agreement, the First Priority Senior Secured Notes Indenture, the other relevant First Priority Lien Debt Document, the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or the relevant Subordinated Lien Debt Document, as applicable. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, electronically mailed or sent by courier service or U.S. mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic mail or upon receipt via U.S. mail (registered or certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto shall be as set forth below each party's name on the signature pages hereto, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties. The First Priority Lien Debt Representatives hereby agree to promptly notify each Subordinated Lien Debt Representative upon payment in full in cash of all Indebtedness under the applicable First Priority Lien Debt Documents (except for contingent indemnities and cost and reimbursement obligations to the extent no claim therefor has been made).

8.9 *Further Assurances.* Each of the Subordinated Lien Debt Representatives, on behalf of itself and each applicable Subordinated Lien Secured Party, and the First Priority Lien Collateral Trustee, on behalf of itself and each First Priority Lien Holder, agrees that each of them shall take such further action and shall execute and deliver to the First Priority Lien Collateral Trustee and the First Priority Lien Holders such additional documents and instruments (in recordable form, if requested) as the First Priority Lien Collateral Trustee or the First Priority Lien Holders may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

8.10 *Governing Law.* This Agreement has been delivered and accepted at and shall be deemed to have been made at New York, New York and shall be interpreted, and the rights and liabilities of the parties bound hereby determined, in accordance with the laws of the State of New York.

8.11 *Binding on Successors and Assigns.* This Agreement shall be binding upon the First Priority Lien Collateral Trustee, the First Priority Lien Holders, the Subordinated Lien Debt Representatives, the Subordinated Lien Secured Parties, the Company, the Company's Subsidiaries party hereto and their respective permitted successors, transferees and assigns. The lien subordination and other provisions of this Agreement shall survive any sale, assignment, pledge, disposition or other transfer of all or any portion of the Subordinated Lien Claims or any Subordinated Lien Debt Documents, and the terms of this Agreement shall be binding upon the successors and assigns of each Subordinated Lien Secured Party.

8.12 *Specific Performance.* The First Priority Lien Collateral Trustee may demand specific performance of this Agreement. Each Subordinated Lien Debt Representative, on behalf of itself and each applicable Subordinated Lien Secured Party, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense that might be asserted to bar the remedy of specific performance in any action that may be brought by the First Priority Lien Collateral Trustee.

8.13 *Section Titles.* The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Agreement.

8.14 *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same document. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

8.15 *Authorization.* By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement. The First Priority Lien Collateral Trustee represents and warrants that this Agreement is binding upon the First Priority Lien Holders. The Second Priority Secured Subordinated Notes Trustee represents and warrants that this Agreement is binding upon the Second Priority Secured Subordinated Notes Secured Parties. The Series II Second Priority Secured Subordinated Notes Trustee represents and warrants that this Agreement is binding upon the Series II Second Priority Secured Subordinated Notes Secured Parties.

8.16 *No Third Party Beneficiaries; Successors and Assigns.* This Agreement and the rights and benefits hereof shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns and shall inure to the benefit of each of, and be binding upon, the holders of First Priority Claims and Subordinated Lien Claims. No other Person shall have or be entitled to assert rights or benefits hereunder.

8.17 *Effectiveness.* This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement shall be effective both before and after the commencement of any Insolvency or Liquidation Proceeding. All references to the Company or any other Grantor shall include the Company or any other Grantor as debtor and debtor-in-possession and any receiver, trustee or other estate representative for the Company or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding.

8.18 *First Priority Lien Collateral Trustee and Subordinated Lien Debt Representatives.* It is understood and agreed that (a) CS is entering into this Agreement in its capacity as collateral trustee under the First Lien Intercreditor Agreement and the provisions of Article VI of the First Lien Intercreditor Agreement applicable to CS as collateral trustee thereunder shall also apply to CS as First Priority Lien Collateral Trustee hereunder, (b) U.S. Bank National Association is entering into this Agreement in its capacity as Second Priority Secured Subordinated Notes Trustee and as collateral agent for the Second Priority Secured Subordinated Notes, and the provisions of Article 7 of the Second Priority Secured Subordinated Notes Indenture applicable to the trustee thereunder shall also apply to the U.S. Bank National Association in its

capacity as Subordinated Lien Debt Representative hereunder and (c) U.S. Bank National Association is entering into this Agreement in its capacity as Series II Second Priority Secured Subordinated Notes Trustee and as collateral agent for the Series II Second Priority Secured Subordinated Notes, and the provisions of Article 7 of the Series II Second Priority Secured Subordinated Notes Indenture applicable to the trustee thereunder shall also apply to the U.S. Bank National Association in its capacity as Subordinated Lien Debt Representative hereunder.

8.19 *Relative Rights.* Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement is intended to or will (a) change the relative priorities of the First Priority Claims or the Liens granted under the First Priority Lien Debt Documents on the Common Collateral (or any other assets) as among the First Priority Lien Holders, (b) otherwise change the relative rights of the First Priority Lien Holders in respect of the Common Collateral as among such First Priority Lien Holders or (c) obligate the Company or any Subsidiary to take any action, or fail to take any action, that would otherwise constitute a breach of, or default under, the Credit Agreement, the First Priority Senior Secured Notes Indenture or any other First Priority Lien Debt Document entered into in connection with the Credit Agreement, the First Priority Senior Secured Notes Indenture, the Second Priority Secured Subordinated Notes Indenture, the Series II Second Priority Secured Subordinated Notes Indenture or any other Subordinated Lien Debt Documents.

8.20 *References.* Notwithstanding anything to the contrary in this Agreement, any references contained herein to any Section, clause, paragraph, definition or other provision of the Second Priority Secured Subordinated Notes Indenture or the Series II Second Priority Secured Subordinated Notes Indenture (including any definition contained therein) shall be deemed to be a reference to such Section, clause, paragraph, definition or other provision as in effect on the date of this Agreement; provided that any reference to any such Section, clause, paragraph or other provision shall refer to such Section, clause, paragraph or other provision of the Second Priority Secured Subordinated Notes Indenture or the Series II Second Priority Secured Subordinated Notes Indenture (including any definition contained therein), as amended or modified from time to time if such amendment or modification has been (1) made in accordance with the Second Priority Secured Subordinated Notes Indenture or the Series II Second Priority Secured Subordinated Notes Indenture, as applicable, and (2) approved in writing by, or on behalf of, the requisite First Priority Lien Holders as are needed under the terms of the Credit Agreement and the First Priority Senior Secured Notes Indenture to approve such amendment or modification.

8.21 *Attorneys' Fees, Costs and Expenses.* In the event that any Subordinated Lien Secured Party acts in any fashion that is prohibited by or otherwise inconsistent with any provision of this Agreement, such Subordinated Lien Secured Party shall be individually liable for and shall pay any reasonable attorneys' fees, costs and expenses incurred by any of the First Priority Lien Holders that arise out of or relate to such Subordinated Lien Secured Party's action, including all amounts incurred responding to that action in any court and pursuing any affirmative claims against such Subordinated Lien Secured Party as a result of that action. Any attorneys' fees, costs or expenses for which a Subordinated Lien Secured Party is liable but which are not paid will be added to and treated as First Priority Claims for all purposes under this Agreement.

8.22 *Intercreditor Agreements.* Each party hereto agrees that the First Priority Lien Holders (as among themselves) and the Subordinated Lien Secured Parties (as among themselves) may each enter into intercreditor agreements (or similar arrangements) with the First

Priority Lien Collateral Trustee governing the rights, benefits and privileges as among the First Priority Lien Holders or the Subordinated Lien Secured Parties, as the case may be, in respect of the Common Collateral, this Agreement and the other First Priority Lien Security Documents or Subordinated Lien Security Documents, as the case may be, including as to application of proceeds of the Common Collateral, voting rights, control of the Common Collateral and waivers with respect to the Common Collateral, in each case so long as (A) the terms thereof do not violate or conflict with the provisions of this Agreement or the other First Priority Lien Security Documents or Subordinated Lien Security Documents, as the case may be, (B) in the case of any such intercreditor agreement (or similar arrangement) affecting any First Priority Lien Holders, the First Priority Lien Debt Representative acting on behalf of such First Priority Lien Holders agrees in its sole discretion to enter into any such intercreditor agreement (or similar arrangement) and (C) in the case of any such intercreditor agreement (or similar arrangement) affecting the First Priority Lien Holders holding First Priority Claims under the First Priority Lien Debt Documents, the holders of a majority of the applicable First Priority Claims authorize the applicable First Priority Lien Debt Representative to enter into any such intercreditor agreement (or similar arrangement). Notwithstanding the preceding clauses (B) and (C), to the extent that the applicable First Priority Lien Debt Representative is not authorized by the holders of a majority of the applicable First Priority Claims to enter into any such intercreditor agreement (or similar arrangement) or does not agree to enter into such intercreditor agreement (or similar arrangement), such intercreditor agreement (or similar arrangement) shall not be binding upon the applicable First Priority Lien Debt Representative but, subject to the immediately succeeding sentence, may still bind the other parties party thereto. In any event, if a respective intercreditor agreement (or similar arrangement) exists, the provisions thereof shall not be (or be construed to be) an amendment, modification or other change to this Agreement or any other First Priority Lien Security Document or Subordinated Lien Security Document, and the provisions of this Agreement and the other First Priority Lien Security Documents and Subordinated Lien Security Documents shall remain in full force and effect in accordance with the terms hereof and thereof (as such provisions may be amended, modified or otherwise supplemented from time to time in accordance with the terms thereof, including to give effect to any intercreditor agreement (or similar arrangement)).

8.23 *Amendment and Restatement*. Notwithstanding anything contained herein to the contrary, the terms of this Agreement are not intended to and do not serve to effect a novation of the obligations and liabilities of the parties under the Existing Intercreditor Agreement. Instead, it is the express intention of the parties hereto to amend and restate the obligations and liabilities created under or otherwise evidenced by the Existing Intercreditor Agreement as amended and restated hereby.

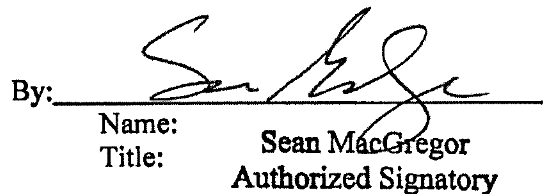
[*Remainder of page intentionally left blank*]

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

FIRST PRIORITY LIEN COLLATERAL TRUSTEE:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as First Priority Lien Collateral Trustee

By:__________________________
Name: BILL O'DALY
Title: AUTHORIZED SIGNATORY



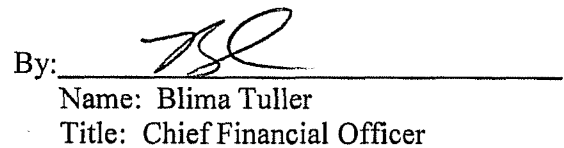
By:__________________________
Name: Sean MacGregor
Title: Authorized Signatory

SECOND PRIORITY SECURED SUBORDINATED NOTES TRUSTEE, SERIES II SECOND PRIORITY SECURED SUBORDINATED NOTES TRUSTEE AND SECOND PRIORITY COLLATERAL AGENT:

U.S. BANK NATIONAL ASSOCIATION, as Second Priority Secured Subordinated Notes Trustee, Series II Second Priority Secured Subordinated Notes Trustee and Second Priority Collateral Agent

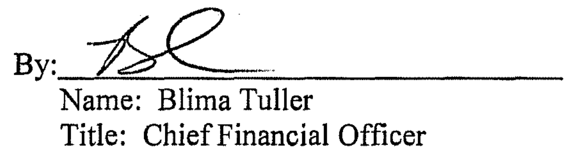
By:____________________________
Name: Thomas Zrust
Title: Vice President

LBI MEDIA, INC.



By:______________________________
Name: Blima Tuller
Title: Chief Financial Officer

LIBERMAN TELEVISION OF HOUSTON LLC
KZJL LICENSE LLC
LIBERMAN TELEVISION LLC
KRCA TELEVISION LLC
KRCA LICENSE LLC
LIBERMAN BROADCASTING OF CALIFORNIA LLC
LBI RADIO LICENSE LLC
LIBERMAN BROADCASTING OF HOUSTON LICENSE LLC
LIBERMAN BROADCASTING OF HOUSTON LLC
LIBERMAN BROADCASTING OF DALLAS LLC
LIBERMAN BROADCASTING OF DALLAS LICENSE LLC
LIBERMAN TELEVISION OF DALLAS LLC
LIBERMAN TELEVISION OF DALLAS LICENSE LLC
EMPIRE BURBANK STUDIOS LLC



By:______________________________
Name: Blima Tuller
Title: Chief Financial Officer

<u>Exhibit C</u>

Second Lien Notes Indenture

LBI MEDIA, INC.

INDENTURE

Dated as of December 23, 2014

U.S. Bank National Association

Trustee

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Schedule III	LEASED REAL PROPERTY SUBJECT TO MORTGAGES

INDENTURE dated as of December 23, 2014 among LBI Media, Inc., a California corporation (and its successors in interest) (the "*Company*"), the Guarantors listed on Schedule I hereto (the "*Guarantors*") and U.S. Bank National Association, a national banking association, as trustee (the "*Trustee*").

The Company, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined below) of the 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II (the "*Notes*"):

ARTICLE 1.
DEFINITIONS AND INCORPORATION
BY REFERENCE

Section 1.01. Definitions.

"*144A Global Note*" means a Global Note substantially in the form of Exhibit A-1 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*2012 Exchange Offers*" means (A) the offer to exchange (i) Existing Second Lien Notes and (ii) Warrants for any and all outstanding Old Senior Subordinated Notes, and (B) the offer to exchange either (i) Existing Second Lien Notes for any and all outstanding Discount Notes or (ii) Holdings Notes for any and all outstanding Discount Notes.

"*2014 Second Lien Notes Exchange Offer and Solicitation*" means an offer to exchange $1,000 principal amount of Notes for each $1,000 principal amount of Existing Second Lien Notes, plus payment for (i) all accrued and unpaid interest on such Existing Second Lien Notes that has accrued in the form of PIK Interest (as defined in the Existing Second Lien Notes Indenture) and any consent and structuring fees, in each case paid in the form of Notes and (ii) all accrued and unpaid interest on such Existing Second Lien Notes that has accrued in the form of Cash Interest (as defined in the Existing Second Lien Notes Indenture) paid in the form of cash in connection with such exchange, and a concurrent consent solicitation to amend the indenture governing the Existing Second Lien Notes to eliminate or waive substantially all of the restrictive covenants, eliminate certain events of default, modify covenants regarding mergers and consolidations, and modify or eliminate certain other provisions.

"*Acquired Debt*" means, with respect to any specified Person: (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Acquisition Debt*" means Indebtedness, the proceeds of which are utilized solely to acquire all or a portion of the assets or a majority of the Voting Stock of an existing radio or television broadcasting business or station or any other business engaged in a Permitted Business.

"*Actionable Default*" means the occurrence of any event of default under any Secured Debt Document, the result of which is that:

(1) the holders of Parity Lien Debt under such Secured Debt Document have the right to declare all of the Parity Lien Obligations thereunder to be due and payable prior to the stated maturity thereof; or

(2) such Parity Lien Obligations automatically become due and payable prior to the stated maturity thereof.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued from time to time under this Indenture in accordance with Sections 2.01(f) and 4.09 hereof.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person *provided* that OCM Principal Opportunities Fund III, L.P., a Delaware limited partnership, OCM Principal Opportunities Fund IIIA, L.P., a Delaware limited partnership, OCM OPPS Broadcasting, LLC, a Delaware limited liability company, OCM Principal Opportunities Fund IV AIF (Delaware), L.P., Tinicum Capital Partners II, L.P., a Delaware limited partnership, Tinicum Capital Partners II Parallel Fund, L.P., a Delaware limited partnership, and Tinicum Capital Partners II Executive Fund L.L.C., a Delaware limited liability company, and their Affiliates (excluding Parent, Holdings, the Company or any of its Subsidiaries) shall not be deemed to be Affiliates of Parent, Holdings, the Company or any of its Subsidiaries so long as they collectively hold less than 10% of the voting power of the Voting Stock of any of Parent, Holdings or the Company. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent or additional paying agent.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess, if any of (a) the present value at such redemption date of (i) the redemption price of such Note at November 15, 2017 (such redemption price being set forth in the tables appearing in Section 3.07), plus (ii) all required interest payments due on such Note through November 15, 2017 (excluding accrued but unpaid interest to the applicable redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of such Note.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"*Asset Sale*" means

(1) the sale, lease, conveyance or other disposition of any assets or rights, other than in the ordinary course of business, including but not limited to a Spectrum Asset Sale; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets (which term shall include Media Licenses) owned by the Company and its Subsidiaries taken as a whole will be governed by the provisions of Sections 4.15 and/or 5.01 and not by the provisions of Section 4.10; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale of Equity Interests in any Restricted Subsidiary.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) a transfer of assets or rights between or among the Company and its Restricted Subsidiaries;

(2) an issuance of Equity Interests by a Subsidiary of the Company to the Company or to another Subsidiary of the Company;

(3) the sale or lease of equipment, inventory, accounts receivable or other assets or rights in the ordinary course of business;

(4) the disposition of obsolete, damaged or worn-out equipment or other assets no longer used or useful in the business of the Company or any of its Restricted Subsidiaries;

(5) the sale and leaseback of any assets within 90 days of the acquisition thereof;

(6) the sale or other disposition of Cash Equivalents;

(7) a Restricted Payment that is permitted by Section 4.07, or a Permitted Investment;

(8) foreclosures on assets;

(9) Permitted Liens;

(10) the grant of any license of patents, trademarks, registrations therefor and other similar intellectual property in the ordinary course of business;

(11) the cancellation or forgiveness of any loan made by the Company or any of its Restricted Subsidiaries (i) permitted by clause (10) of Section 4.07(b) or (ii) permitted by clauses (8), (9), (13), (15) or (17) of the definition of "Permitted Investments"; and

(12) sales or other dispositions or transfers of Equity Interests in, or Indebtedness or other securities of, Unrestricted Subsidiaries.

"*Bankruptcy Law*" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the general partner of which is a corporation, the board of directors of the general partner of the partnership or any committee thereof duly authorized to act on behalf of such board; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Burbank Office Property*" means that certain real property located at 1845 West Empire Avenue, Burbank, California 91504.

"*Burbank Studio Property*" means that certain real property owned in fee by the Company or the Guarantors located on Hollywood Way in Burbank, California.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Cash Equivalents*" means:

(1) United States dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) or any agency or instrumentality of the United States government having maturities of not more than 24 months from the date of acquisition;

(3) certificates of deposit and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any lender party to the Credit Facility or with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Thomson Bank Watch Rating of "B" or better;

(4) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having one of the two highest ratings obtainable from Moody's Investors Service, Inc. or Standard & Poor's Rating Services and in each case maturing within one year after the date of acquisition;

(6) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof; and

(7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets (which term shall include Media Licenses) of the Company and its Restricted Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than a Principal or a Related Party of a Principal;

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as defined above), other than the Principals and their Related Parties, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares.

"*Clearstream*" means Clearstream Banking, S.A.

"*Collateral*" means all assets, other than Excluded Collateral, now owned or hereafter acquired, of the Company, any Guarantor, or any other Person, to the extent such assets are pledged or assigned or purported to be pledged or assigned, or are required to be pledged or assigned under the Secured Debt Documents to the Collateral Agent, together with the proceeds and products thereof. For purposes of clarification, the Collateral shall not include any assets released from the Liens of the Collateral Agent in accordance with the Secured Debt Documents or with respect to which the Collateral Agent is required to release its Liens pursuant to the Priority Lien Intercreditor Agreement; *provided*, that, if such Liens are required to be released as a result of the sale, transfer or other disposition of any assets of the Company or any Guarantor, such assets will cease to be excluded from the Collateral if the Company or any Guarantor thereafter acquires or reacquires such assets.

"*Collateral Agent*" means US Bank National Association, acting as the collateral agent under the Security Documents, together with its successors and permitted assigns under the Priority Lien Intercreditor Agreement and the other Security Documents.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*:

(1) provision for taxes based on income or profits of such Person and the Restricted Subsidiaries for such period (and to the extent not included in the foregoing, Permitted Tax Distributions), to the extent that such provision for taxes or Permitted Tax Distributions were deducted in computing such Consolidated Net Income; *plus*

(2) Consolidated Interest Expense, to the extent that any such expense was deducted in computing such Consolidated Net Income; *plus*

(3) depreciation, amortization (including non-cash employee and officer equity compensation expenses, amortization of goodwill and other intangibles, amortization of programming costs (net of program payments made or to be made), barter expenses and impairment charges under SFAS 142 for broadcast licenses, goodwill or other indefinite lived intangible assets, but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period, to the extent that such depreciation, amortization, impairment charges and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(4) any costs or expense incurred by such Person or its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expense are funded with cash proceeds contributed to the capital of such Person or net cash proceeds of an issuance of Equity Interests of such Person (other than Disqualified Stock) and such net cash proceeds are excluded from the calculation set forth in clause (c) of the first paragraph of Section 4.07 and are not treated as an Equity Offering for purposes of Section 3.07 or used to support an incurrence of Indebtedness under clause (xiv) of Section 4.09; *plus*

(5) any extraordinary or non-recurring expenses and charges of such Person and the Restricted Subsidiaries for such period, including, without limitation, transaction costs in respect of acquisitions and transaction costs in respect of the 2012 Exchange Offers, to the extent that such expenses and charges were deducted in computing such Consolidated Net Income; *minus*

(6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business; *minus*

(7) cash payments related to non-cash charges that increased Consolidated Cash Flow in any prior period; *minus*

(8) barter revenues;

in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Subsidiary of the Company will be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent that a corresponding amount would be permitted at the date of determination to be dividended, distributed or

loaned to the Company by such Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum, without duplication of:

(1) consolidated interest expense of such Person and the Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to obligations with respect to any sale and leaseback transaction, fees, including but not limited to agency fees, letter of credit fees, commitment fees, commissions, discounts and other fees and charges incurred in respect of Indebtedness and net of the effect of all payments made or received pursuant to Hedging Obligations); *plus*

(2) the consolidated interest expense of such Person and the Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or any Restricted Subsidiary or secured by a Lien on assets of such Person or any Restricted Subsidiary whether or not such guarantee or Lien is called upon; *plus*

(4) the product of:

(a) all dividend payments on any series of Disqualified Stock of such Person or preferred stock of any Restricted Subsidiaries to Persons other than the Company or any of the Restricted Subsidiaries (excluding any dividends paid in Capital Stock (other than Disqualified Stock)), *times*

(b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal,

in each case, on a consolidated basis and in accordance with GAAP.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

(1) the Net Income of any Person that is not a Restricted Subsidiary will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions or loans by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the

terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders; and

(3) the cumulative effect of a change in accounting principles will be excluded.

"*Consolidated Secured Leverage Ratio*" means, as of any date of determination, the ratio of (1) total consolidated secured Indebtedness of the Company and its Restricted Subsidiaries as of such date, after giving effect to all incurrences and repayments of Indebtedness on or about such date, to (2) Consolidated Cash Flow of the Company for the most recent four consecutive fiscal quarters for which financial statements are available ending prior to such date, in each case, with such pro forma and other adjustments as are appropriate and consistent with the pro forma and other adjustment provisions set forth in the definition of Leverage Ratio.

"*Control Agreement*" means, with respect to any bank account of the Company or any of its Restricted Subsidiaries, a Control Agreement in form and substance satisfactory to the First Priority Lien Collateral Trustee or the Collateral Agent, as applicable, in its reasonable discretion, executed and delivered by the Company or such Restricted Subsidiary, the depository institution at which such account is maintained and the First Priority Lien Collateral Trustee or the Collateral Agent, as applicable, as any such agreement may be amended, supplemented or otherwise modified from time to time.

"*Corporate Trust Office of the Trustee*" will be at the address of the Trustee specified in Section 14.01 hereof or such other address as to which the Trustee may give notice to the Company.

"*Credit Agreement*" means that certain Amended and Restated Credit Agreement dated as of March 18, 2011 by and among the Company, the guarantors party thereto, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch, as administrative agent and as collateral trustee and the other parties thereto, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case, as further amended (including any amendment and restatement thereof), modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced from time to time, including any agreement extending the maturity of, consolidating or otherwise restructuring (including adding Subsidiaries of the Company as additional guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group and whether or not increasing the amount of Indebtedness that may be incurred thereunder; *provided* that Credit Agreement shall exclude any replacement, refinancing or restructuring by means of sales of debt securities (it being understood that a revolving or term loan facility that is evidenced by a credit agreement pursuant to customary documentation shall constitute a Credit Agreement); and *provided*, *further* that, for purposes of the Priority Lien Intercreditor Agreement, any replacement, refinancing or restructuring credit agreement shall constitute a "Credit Agreement" only to the extent designated as First Priority Lien Debt in accordance with the terms of the Priority Lien Intercreditor Agreement.

"*Credit Agreement Agent*" means any administrative agent under any Credit Agreement.

"*Credit Facility*" or "*Credit Facilities*" means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time, including any agreement extending the maturity of, consolidating or otherwise restructuring (including adding

subsidiaries of the Company as additional guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group and whether or not increasing the amount of Indebtedness that may be incurred thereunder.

"*Custodian*" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Dallas Studio Property*" means that certain real property owned in fee by the Company or the Guarantors located on Gateway in Dallas, Texas.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A-1 hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Designated Senior Debt*" means:

(1) any Indebtedness outstanding under the Credit Agreement and the First Priority Senior Secured Notes; and

(2) any other Senior Debt permitted under this Indenture the principal amount of which is $25.0 million or more (including amounts available under a committed facility) and that has been designated by the Company as "Designated Senior Debt."

"*Discount Notes*" means the 11% Senior Discount Notes due 2013 issued by Holdings.

"*Discount Notes Forbearance Agreement*" means the forbearance agreement, dated as of September 13, 2013, by and between Holdings and the holders of the Discount Notes party thereto.

"*Discount Notes Indenture*" means the indenture, dated as of October 10, 2003, by and between Holdings and U.S. Bank National Association, a national banking association, as trustee, as amended, modified or supplemented from time to time.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or

redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the provisions of Section 4.07.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Company that was formed under the laws of the United States or any state of the United States or the District of Columbia or that guarantees or otherwise provides direct credit support for any Indebtedness of the Company or any other Domestic Subsidiary of the Company.

"*Empire Burbank*" means Empire Burbank Studios LLC, a California limited liability company.

"*Empire Burbank Lease*" means that certain Lease dated as of July 15, 1999 between Empire Burbank, as lessor, and LBCI, as lessee, relating to occupancy of the Burbank Office Property (or a replacement lease in substantially the same form except that the Company is the lessee and the term thereof is extended), as modified by that certain First Amendment to Lease and Assignment and Assumption Agreement dated as of June 28, 2004 by and among Empire Burbank, LBCI and the Company and in each case as such lease may be further amended or modified in accordance with this Indenture.

"*Empire Burbank Sublease*" means that certain Sublease Agreement between LBCI, as sublessor, and Empire Burbank, as sublessee, (or a replacement sublease in substantially the same form except that the Company is the sublessor and the term thereof is extended), in each case relating to occupancy of certain portions of the Burbank Office Property by Empire Burbank, as modified by that certain First Amendment to Sublease Agreement and Assignment and Assumption dated as of June 28, 2004 by and among Empire Burbank, LBCI, and the Company and as such sublease may be further amended or modified from time to time.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means the issuance and sale of Equity Interests of the Company or Parent; *provided*, *however*, that in the event of an Equity Offering by Parent, all or a portion of the net proceeds therefrom are contributed to the Company, *provided further*, *however*, that in no event will any issuance or sale of Capital Stock used to support the incurrence of Indebtedness under clause (xiv) of the second paragraph under Section 4.09 be deemed to be an Equity Offering.

"*Euroclear*" means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Excluded Collateral*" means each of the following:

(1) any FCC License, except at such times and to the extent that a security interest in such FCC License is permitted under applicable law;

(2) any Excluded Equity Interests;

(3) any United States Trademark applications filed on the basis of an Obligor's intent-to-use such mark, in each case, unless and until evidence of the use of such Trademark in interstate commerce is submitted to the United States Patent and Trademark Office, but only if and to the extent that the granting of a security interest in such application would result in the invalidation of such application;

(4) any interest in leased real property (including, without limitation, any leasehold interests in real property);

(5) any fee interest in real property (other than Mortgaged Property);

(6) any assets subject to a permitted Lease Related Lien (in the case of a permitted refinancing in respect of the Indebtedness secured by such Lease Related Lien) to the extent the documents governing such Lease Related Lien prohibit, or require a consent or approval in order for, such assets to be subject to the Liens created by the Secured Debt Documents; and

(7) any other Collateral to the extent and for so long as such grant of security interest, (a) is prohibited by any Requirement of Law, (b) requires a filing with or consent from any Governmental Authority pursuant to any Requirement of Law that has not been made or obtained, or (c) constitutes a breach or default under or results in the termination of, or requires any consent not obtained under, any program, lease, license (including, without limitation, any software license), contract or agreement, except to the extent that such Requirement of Law or provisions of any such program, lease, license, contract or agreement is ineffective under applicable law or would be ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the New York Uniform Commercial Code to prevent the attachment of the security interest granted hereunder;

provided, that, notwithstanding anything in this Indenture, the Notes or any other Security Document to the contrary, the security interest granted pursuant to the Security Documents (x) shall attach at all times to all proceeds of the foregoing items to the extent that the assignment or encumbering of such proceeds is not prohibited by any Requirement of Law, (y) shall attach to the foregoing items immediately and automatically (without need for any further grant or act) at such time as the condition described in the applicable clause (1) through (7) above ceases to exist and (z) to the extent severable shall in any event attach to all rights in respect of the foregoing items that are not subject to the applicable condition described in clause (1) through (7) above.

"*Excluded Equity Interests*" means, collectively, all shares of stock, partnership interests, limited liability interests, and all other equity interests in (1) any Person (other than a Wholly Owned Subsidiary or a Subsidiary controlled by the Company or any Wholly Owned Subsidiary of the Company) to the extent a security interest granted thereon is not permitted by the terms of such Person's organizational or joint venture documents, (2) any voting Capital Stock in excess of 65% of the outstanding voting Capital Stock of any Foreign Subsidiary owned by an Obligor, (3) all Capital Stock of a Foreign Subsidiary indirectly owned by any Obligor and (4) all Capital Stock of Domestic Subsidiaries of Foreign Subsidiaries (for purposes of this definition, "voting Capital Stock" means, with respect to any issuer, the issued and outstanding shares of each class of stock of such issuer entitled to vote (within the meaning of Treasury Regulations §1.956-2(c)(2))), *provided*, *however*, that the provisions of this definition shall not apply to Foreign Subsidiaries which are required to become an Obligor pursuant to the requirements of any Security Document.

"*Existing Indebtedness*" means Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of the Existing Second Lien Notes Indenture.

"*Existing Second Lien Notes*" means the 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020 issued by the Company and the related subsidiary guarantees, issued under the Existing Second Lien Notes Indenture, including any PIK Notes (as defined under the Existing

Second Lien Notes Indenture) to be issued from time to time in accordance with the Existing Second Lien Notes Indenture.

"*Existing Second Lien Notes Indenture*" means the indenture dated December 31, 2012 among the Company, the subsidiary guarantors of the Existing Second Lien Notes, and U.S. Bank National Association, a national banking association, as trustee, as amended, modified or otherwise supplemented from time to time.

"*FCC*" means the Federal Communications Commission or any successor thereto.

"*FCC Licenses*" means all radio, broadcast or other licenses, permits, certificates of compliance, franchises, approvals or authorizations granted or issued by the FCC to any Obligor that are necessary for the broadcast or other operations of the Company or any Subsidiary.

"*First Lien Intercreditor Agreement*" means the Collateral Trust and Intercreditor Agreement dated as of March 18, 2011 by and among the Company, the guarantors from time to time party thereto, the trustee in respect of the First Priority Senior Secured Notes, Credit Suisse AG, Cayman Islands Branch, as administrative agent, the other First Priority Lien Debt Representatives from time to time party thereto, and the First Priority Lien Collateral Trustee, as amended, modified or otherwise supplemented.

"*First Priority Bank Debt*" means (a) any Indebtedness incurred under the Credit Agreement pursuant to Section 4.09(i) in respect of which the First Priority Lien Debt Representative has agreed to be bound by or is otherwise subject to the terms of the First Lien Intercreditor Agreement in accordance with its terms and (b) Indebtedness incurred under the Specified Hedging Agreement in accordance with the second paragraph of Section 4.09 in respect of which the Specified Hedge Provider has agreed to be bound by or is otherwise subject to the terms of the First Lien Intercreditor Agreement in accordance with its terms; provided that the Indebtedness incurred under the Specified Hedging Agreement may not exceed $3,000,000; provided, further, that the sum of (x) the principal amount of First Priority Bank Debt incurred under clause (a) above plus (y) Indebtedness incurred under the Specified Hedging Agreement may not, in the aggregate, exceed (i) prior to the closing of a Qualifying IPO, $50.0 million and (ii) from and after the closing of a Qualifying IPO, $100.0 million. For the avoidance of doubt, the principal amount of any Indebtedness incurred under the Credit Agreement or Indebtedness incurred under the Specified Hedging Agreement that is not First Priority Bank Debt is First Priority Lien Debt.

"*First Priority Bank Debt Documents*" means the Credit Agreement, the guarantees of the Credit Agreement, the Specified Hedging Agreement, each First Priority Debt Sharing Confirmation and the Security Documents.

"*First Priority Bank Debt Obligations*" means the First Priority Bank Debt and all other Obligations in respect thereof.

"*First Priority Debt Sharing Confirmation*" means, as to any Series of First Priority Lien Debt, the written agreement of the holders of such Series of First Priority Lien Debt, as set forth in the credit agreement, indenture or other agreement governing such Series of First Priority Lien Debt, for the benefit of all holders of each other existing and future Series of First Priority Lien Debt and each existing and future First Priority Lien Debt Representative, that, subject to the terms of the First Lien Intercreditor Agreement, all First Priority Lien Obligations will be and are secured equally and ratably by all Liens at any time granted by the Company or any other Obligor to secure any Obligations in respect of such Series of First Priority Lien Debt, whether or not upon property otherwise constituting Collateral, that all such Liens will be enforceable by the First Priority Lien Collateral Trustee for the benefit of all holders of First Priority Lien Obligations equally and ratably, and that the holders of Obligations in respect of such Series

of First Priority Lien Debt are bound by the provisions in the First Lien Intercreditor Agreement relating to the order of application of proceeds from enforcement of such Liens, and consent to and direct the First Priority Lien Collateral Trustee to perform its obligations under the First Lien Intercreditor Agreement.

"*First Priority Lien*" means a Lien granted to the First Priority Lien Collateral Trustee, for the benefit of the First Priority Lien Secured Parties, upon any property of the Company or any other Obligor to secure First Priority Lien Obligations.

"*First Priority Lien Collateral Trustee*" means Credit Suisse AG, Cayman Islands Branch, acting as the collateral trustee under the security documents governing the Lien securing the First Priority Lien Debt, together with its successors and permitted assigns under the Priority Lien Intercreditor Agreement and such security documents.

"*First Priority Lien Debt*" means:

(1) the First Priority Senior Secured Notes and the related subsidiary guarantees issued under the First Priority Senior Secured Notes Indenture;

(2) the First Priority Bank Debt;

(3) Indebtedness under existing Hedging Agreements and any guarantees thereof that, in each case, was permitted to be incurred and so secured under each applicable First Priority Lien Debt Document (or as to which the lenders obtained an officer's certificate at the time of incurrence to the effect that such Indebtedness was permitted to be incurred and secured by all applicable First Priority Lien Debt Documents); and

(4) Indebtedness under any other Credit Facility or other Hedging Agreements or an issuance of debt securities that, in each case, is secured equally and ratably with the First Priority Senior Secured Notes by a First Priority Lien that was permitted to be incurred and so secured under each applicable First Priority Lien Debt Document; provided, in the case of each issue or series of Indebtedness referred to in this clause (4), that:

(a) on or before the date on which such Indebtedness is incurred by the Company or any other Obligor, as the case may be, such Indebtedness is designated by the Company or any other Obligor, as the case may be, in an officer's certificate delivered to each First Priority Lien Debt Representative and the First Priority Lien Collateral Trustee, as "First Priority Lien Debt" for the purposes of the First Priority Lien Debt Documents;

(b) such Indebtedness is governed by a credit agreement, an indenture or other agreement that includes a First Priority Debt Sharing Confirmation; and

(c) all requirements set forth in the First Lien Intercreditor Agreement as to the confirmation, grant or perfection of the First Priority Lien Collateral Trustee's Lien to secure such Indebtedness or Obligations in respect thereof are satisfied (and the satisfaction of such requirements and the other provisions of this clause (c) will be conclusively established if the Company or any other Obligor, as the case may be, delivers to the First Priority Lien Collateral Trustee an officer's certificate stating that such

requirements and other provisions have been satisfied and that such Indebtedness is "First Priority Lien Debt").

For the avoidance of doubt, in respect of any Hedging Obligation, the requirements in the foregoing clause (3) and clause (4), as applicable, need be satisfied only once in respect of such Hedging Obligations and not, for the avoidance of doubt, on multiple occasions upon the execution of each confirmation executed in connection therewith.

"*First Priority Lien Debt Documents*" means collectively, the First Priority Bank Debt Documents, the First Priority Senior Secured Notes Indenture, the First Priority Senior Secured Notes and the related subsidiary guarantees, the First Lien Intercreditor Agreement (and related security documents), each First Priority Debt Sharing Confirmation, all other agreements related to the First Priority Senior Secured Notes Indenture, the First Priority Senior Secured Notes and related subsidiary guarantees, and the indenture or agreement governing each other Series of First Priority Lien Debt and all other agreements governing, securing or relating to any First Priority Lien Obligation.

"*First Priority Lien Debt Representative*" means:

(1) in the case of the First Priority Senior Secured Notes and the related subsidiary guarantees, the trustee under the First Priority Senior Secured Notes Indenture, and

(2) in the case of the First Priority Bank Debt Obligations, the administrative agent under the Credit Agreement.

"*First Priority Lien Obligations*" means the First Priority Lien Debt and all other Obligations in respect thereof, including Obligations owed to the First Priority Lien Collateral Trustee under the First Priority Lien Debt Documents.

"*First Priority Lien Secured Parties*" means the holders of First Priority Lien Obligations, any First Priority Lien Debt Representatives and the First Priority Lien Collateral Trustee.

"*First Priority Senior Secured Notes*" means the 10% Senior Secured Notes due 2019 issued by the Company and the related subsidiary guarantees under the First Priority Senior Secured Notes Indenture, in each case to be issued from time to time in accordance with the First Priority Lien Secured Notes Indenture.

"*First Priority Senior Secured Notes Indenture*" means the indenture dated March 18, 2011 among the Company, the subsidiary guarantors of the First Priority Senior Secured Notes, and U.S. Bank National Association, a national banking association, as trustee, as amended by that certain First Supplemental Indenture, dated as of December 31, 2012, among the Company, the subsidiary guarantors of the First Priority Senior Secured Notes, and U.S. Bank National Association, a national banking association, as trustee, as amended, modified or otherwise supplemented from time to time.

"*Foreign Subsidiary*" means any Subsidiary of the Company or any Guarantor (other than Empire Burbank) that is not a Domestic Subsidiary.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of the Existing Second Lien Notes Indenture.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depositary or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Sections 2.01, 2.06(a), 2.06(c) or 2.06(d) hereof.

"*Government Securities*" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"*Governmental Authority*" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government and the National Association of Insurance Commissioners.

"*Guarantee*" means a guarantee, other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

"*Guarantors*" means each of:

(1) the Company's Restricted Subsidiaries on the date of this Indenture; and

(2) any other subsidiary of the Company that executes a Subsidiary Guarantee in accordance with the provisions of this Indenture;

and their respective successors and assigns.

"*Hedge Providers*" means any Person who enters into a Hedging Agreement with the Company or any other Obligor to the extent permitted under each applicable Secured Debt Document and includes, without limitation, any Specified Hedge Provider.

"*Hedging Agreement*" means any interest rate swap agreement, commodity swap agreement, foreign exchange swap agreement or any other derivative or similar agreement which is permitted under each applicable Secured Debt Document and, in each case, any confirmations executed in connection therewith.

"*Hedging Obligations*" means the actual Indebtedness of the Company or any other Obligor to a Hedge Provider under or pursuant to a Hedging Agreement to which it is a party.

"*Holder*" means a Person in whose name a Note is registered.

"*Holdings*" means LBI Media Holdings, Inc., a Delaware corporation.

"*Holdings Notes*" means the 11% Senior Notes due 2017 issued by Holdings under the Holdings Notes Indenture.

"*Holdings Notes Indenture*" means the indenture dated as of December 31, 2012, by and among Holdings and U.S. Bank National Association, a national banking association, as trustee, as amended, modified or otherwise supplemented from time to time.

"*Holdings Permitted Refinancing Indebtedness*" means any Indebtedness of Holdings issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, other Indebtedness of Holdings (other than intercompany Indebtedness); provided that:

(1) the principal amount (or accreted value, if applicable) of such Holdings Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness); and

(2) such Holdings Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"*Houston Studio Property*" means that certain real property owned in fee by the Company or the Guarantors located at 3000 Bering Drive, Houston, Texas.

"*IAI Global Note*" means a Global Note substantially in the form of Exhibit A-1 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold to Institutional Accredited Investors.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable incurred in the ordinary course of business; or

(6) representing any Hedging Obligations (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any indebtedness of any

other Person; *provided* that Indebtedness shall not include the pledge of the Capital Stock of an Unrestricted Subsidiary securing Non-Recourse Debt of that Unrestricted Subsidiary.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"*Indenture*" means this Indenture, as amended, modified or supplemented from time to time.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the initial Notes issued under this Indenture on the date hereof.

"*Insolvency Proceeding*" means:

(1) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to any Obligor;

(2) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding, with respect to the Company or any other Obligor or with respect to a material portion of its assets;

(3) any liquidation, dissolution, reorganization or winding up of the Company or any other Obligor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or

(4) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company or any other Obligor.

"*Institutional Accredited Investor*" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who are not also QIBs.

"*Investment Agreement* " means the Investment Agreement, dated as of March 30, 2007, among Parents, the investors named therein and the stockholders named therein.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers, commission, travel and similar advances to directors, officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment

on the date of any such sale or disposition equal to the fair market value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the fair market value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07. Except as otherwise provided herein, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Investor Rights Agreement*" means the Investor Rights Agreement, dated as of March 30, 2007, as amended by Amendment No. 1 to Investor Rights Agreement, by and among Parent and each of the stockholders of Parent listed on the signature page thereto.

"*LBCI*" means Liberman Broadcasting of California LLC, a California limited liability company (successor in interest to Liberman Broadcasting, Inc., a California corporation).

"*LBI Media Intercompany Note*" means, following a Qualifying IPO, to the extent that Parent or Holdings may elect to complete the redemption or repurchase (including without limitation pursuant to a defeasance, satisfaction or discharge, retirement for value or other acquisition or prepayment and whether pursuant to the optional redemption provisions, in open market transactions or otherwise) of any Parent Entity Allowable Indebtedness, Holdings Notes and Discount Notes with proceeds from a Qualifying IPO, that certain promissory note that may be issued on or within 15 months after the Qualifying IPO closing date by the Company, as borrower, to the order of Parent or Holdings in exchange for cash proceeds to be loaned to the Company pursuant thereto in an aggregate principal amount not to exceed the amount necessary to complete the redemption or repurchase of the Parent Entity Allowable Indebtedness, Holdings Notes and Discount Notes (including all or any portion of the outstanding principal amount of the Parent Entity Allowable Indebtedness, Holdings Notes and Discount Notes and any premiums (including call premiums, early tender premiums or consent premiums) and interest thereon, which may consist of accrued interest, plus, if applicable, an amount of interest calculated on the basis of the next succeeding contractual redemption or maturity date, and any other amounts owing with respect thereto) outstanding on the date of such promissory note.

"*Lease Related Lien*" means (1) any interest or title of a lessor or sublessor under any lease of real estate or personal property permitted by the Secured Debt Documents; and (2) any Uniform Commercial Code financing statements with respect to property leased by the Obligors.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period

"*Lender Hedge Provider*" means a Hedge Provider who enters into a Hedging Agreement that is permitted under the Secured Debt Documents and who at the time of entering into such Hedging Agreement is either (1) a lender under a Credit Facility, or (2) an Affiliate of a lender under a Credit Facility.

"*Letters of Credit*" shall mean letters of credit issued pursuant to the Credit Agreement.

"*Leverage Ratio*" means the ratio of (1) the sum of (a) the aggregate outstanding amount of Indebtedness of each of the Company and the Restricted Subsidiaries as of the last day of the most

recently ended fiscal quarter for which financial statements are internally available as of the date of calculation on a combined consolidated basis in accordance with GAAP, plus (b) the aggregate liquidation preference of all outstanding Disqualified Stock of the Company and preferred stock of the Restricted Subsidiaries (except preferred stock issued to the Company or a Restricted Subsidiary) as of the last day of such fiscal quarter (in each case, subject to the terms described in the next paragraph) to (2) the aggregate Consolidated Cash Flow of the Company for the last four full fiscal quarters for which financial statements are internally available ending on or prior to the date of determination (the "*Reference Period*").

For purposes of this definition, the aggregate outstanding principal amount of Indebtedness of the Company and the Restricted Subsidiaries and the aggregate liquidation preference of all outstanding preferred stock of the Restricted Subsidiaries for which such calculation is made shall be determined on a pro forma basis as if the Indebtedness and preferred stock giving rise to the need to perform such calculation had been incurred and issued and the proceeds therefrom had been applied, and all other transactions in respect of which such Indebtedness is being incurred or preferred stock is being issued had occurred, on the first day of such Reference Period. In addition to the foregoing, for purposes of this definition, the Leverage Ratio shall be calculated on a pro forma basis after giving effect to (i) the incurrence of the Indebtedness of such Person and the Restricted Subsidiaries and the issuance of the preferred stock of such Subsidiaries (and the application of the proceeds therefrom) giving rise to the need to make such calculation and any incurrence (and the application of the proceeds therefrom) or repayment of other Indebtedness or preferred stock, at any time subsequent to the beginning of the Reference Period and on or prior to the date of determination (including any such incurrence or issuance which is the subject of an Incurrence Notice delivered to the Trustee during such period pursuant to clause (xi) of the definition of Permitted Debt; *provided, however,* that Indebtedness shall not include any Acquisition Debt that has been the subject of an Incurrence Notice under clause (xi) of the definition of Permitted Debt at any time after such Incurrence Notice has been withdrawn or after the passage of 365 days following the giving of such Incurrence Notice if and to the extent such Acquisition Debt has not then been incurred), as if such incurrence or issuance (and the application of the proceeds thereof), or the repayment, as the case may be, occurred on the first day of the Reference Period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average balance of such Indebtedness at the end of each month during such period) and (ii) any acquisition at any time on or subsequent to the first day of the Reference Period and on or prior to the date of determination (including any such incurrence or issuance which is the subject of an Incurrence Notice delivered to the Trustee during such period pursuant to clause (xi) of the definition of Permitted Debt subject to the proviso in clause (i) above), as if such acquisition (including the incurrence, assumption or liability for any such Indebtedness and the issuance of such preferred stock and also including any Consolidated Cash Flow associated with such acquisition) occurred on the first day of the Reference Period giving pro forma effect to any non-recurring expenses, non-recurring costs and cost reductions within the first year after such acquisition the Company reasonably anticipates in good faith if the Company delivers to the Trustee an Officer's Certificate executed by an executive officer of the Company certifying to and describing and quantifying with reasonable specificity such non-recurring expenses, non-recurring costs and cost reductions. Furthermore, in calculating consolidated interest expense for purposes of the calculation of Consolidated Cash Flow, (a) interest on Indebtedness determined on a fluctuating basis as of the date of determination (including Indebtedness actually incurred on the date of the transaction giving rise to the need to calculate the Leverage Ratio) and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness as in effect on the date of determination and (b) notwithstanding (a) above, interest determined on a fluctuating basis, to the extent such interest is covered by Hedging Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*LMA*" means a local marketing arrangement, joint sales agreement, time brokerage agreement, shared service agreement, management agreement or similar arrangement pursuant to which a Person, subject to customary preemption rights and other limitations, (i) obtains the right to sell a portion of the advertising inventory of a radio or television station of which a third party is the licensee, (ii) obtains the right to exhibit programming and sell advertising time during a portion of the air time of a radio or television station or (iii) manages a portion of the operations of a radio or television station.

"*Management Incentive Contracts*" means employment agreements between Parent and employees providing for payments in the event that the net value of Parent exceeds certain thresholds.

"*Media Licenses*" means any license, permit, certificate, ordinance, approval or other authorization, or any renewal or extension thereof, from the FCC that is necessary for the broadcast or other operations of the Company and its Subsidiaries.

"*Moody's*" means Moody's Investor Service, Inc. and any successor to its rating agency business.

"*Mortgaged Property*" means, (1) with respect to the Real Property Assets of the Company and the Guarantors (other than Empire Burbank) as of the issuance date of the Initial Notes, the Burbank Studio Property, the Dallas Studio Property, the Houston Studio Property and each other fee ownership interest in any Real Property Asset listed on Schedule II hereto and (2) with respect to any fee ownership interest in any Real Property Asset acquired by the Company or any Guarantor (other than Empire Burbank) following the issuance date of the Initial Notes, any other fee ownership interest in any Real Property Asset with a fair market value (as determined by the Company in its reasonable discretion as of the date of such acquisition or a date such Person becomes a Subsidiary) in excess of $2,500,000.

"*Mortgages*" means the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents securing Liens on the premises, as well as the other Collateral secured by and described in the mortgages, deeds of trust, deeds to secure Indebtedness or other similar documents.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however: (1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and (2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (i) the costs directly related to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, (ii) taxes paid or estimated to be payable as a result of the Asset Sale (and to the extent not included in the foregoing, that portion of any Permitted Tax Distributions attributable thereto), in each case, after taking

into account any available tax credits or deductions and any tax sharing arrangements, (iii) amounts required to be applied to the repayment of Indebtedness and (iv) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"*New Notes Private Placement*" means the offering and sale of $20.0 million aggregate principal amount of Notes for cash at a price of 97.0% of the aggregate principal amount.

"*Non-Lender Hedge Provider*" means a Hedge Provider that is not a Lender Hedge Provider (and includes any Lender Hedge Provider that is no longer a holder of other First Priority Lien Debt, or an Affiliate of such holder, whether or not Section 3.8 of the First Lien Intercreditor Agreement has been complied with).

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Company, the Guarantors, nor any of the Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly liable as a guarantor or otherwise, or (c) constitutes the lender, in each case other than a pledge of the Equity Interests of an Unrestricted Subsidiary; and

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Company, the Guarantors, or any of the Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its stated maturity.

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes, the PIK Notes, and the Additional Notes shall be treated as a single class for all purposes under this Indenture.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable (including post-petition interest) under the documentation governing any Indebtedness.

"*Obligor*" means the Company, the Guarantors (other than Empire Burbank) and each other Person (if any) that at any time provides collateral security for any First Priority Lien Obligations.

"*Offering Circular*" means the offer to exchange and consent solicitation statement related to the 2014 Existing Second Lien Notes Exchange Offer and Solicitation, as amended.

"*Offering Circular for the 2012 Exchange Offers*" means the confidential offering memorandum and consent solicitation statement, dated July 17, 2012, pursuant to a Confidential Offering Memorandum and Consent Solicitation Statement dated July 17, 2012, as supplemented by the Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated July 24, 2012, the Second Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated October 12, 2012, the Third Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated October 18, 2012, the Fourth Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated October 26, 2012, the Fifth Supplement to the Confidential Offering

Memorandum and Consent Solicitation Statement dated November 2, 2012, the Sixth Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated November 19, 2012, the Seventh Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated December 11, 2012, the Eighth Supplement to the Confidential Offering Memorandum and Consent Solicitation Statement dated December 21, 2012, and the press releases issued by the Company and/or Holdings and/or Parent on August 14, 2012, August 30, 2012, September 21, 2012, September 28, 2012, October 5, 2012, October 12, 2012, October 26, 2012, November 2, 2012, November 13, 2012, November 19, 2012, December 4, 2012, December 10, 2012, December 11, 2012, December 12, 2012 and December 27, 2012, related to the Existing Second Lien Notes.

"*Officer*" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice President or Executive Vice President of such Person.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company, who must be the principal executive officer, the principal financial officer or the principal accounting officer of the Company, that meets the requirements of Section 14.03 hereof.

"*Old Senior Subordinated Notes*" means the 8½% Senior Subordinated Notes due 2017 issued by the Company and the related subsidiary guarantees.

"*Old Senior Subordinated Notes Exchange Offer and Solicitation*" means the offer to exchange any combination of (i) Notes and/or (ii) cash for any and all outstanding Old Senior Subordinated Notes, in each case of (i) and (ii) to be exchanged or paid, as applicable, at 100% of the principal amount of the Old Senior Subordinated Notes validly tendered and accepted, plus all accrued and unpaid interest on such Old Senior Subordinated Notes to be paid in cash; provided that (a) no less than $45.8 million aggregate principal amount of Old Senior Subordinated Notes are validly tendered and accepted in the Old Senior Subordinated Notes Exchange Offer and Solicitation and (b) no less than $45.0 million of aggregate principal amount of Old Senior Subordinated Notes that are validly tendered and accepted in the Old Senior Subordinated Notes Exchange Offer and Solicitation elect to receive Notes; and a concurrent consent solicitation to amend the indenture governing the Old Senior Subordinated Notes to eliminate or waive substantially all of the restrictive covenants, eliminate certain events of default, modify covenants regarding mergers and consolidations, and modify or eliminate certain other provisions.

"*Old Senior Subordinated Notes Indenture*" means the indenture dated July 23, 2007, among the Company, the subsidiary guarantors of the Old Senior Subordinated Notes, and U.S. Bank National Association, a national banking association, as trustee, as amended, modified or otherwise supplemented from time to time.

"*Opinion of Counsel*" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 14.03 hereof. Such counsel may be an employee of or counsel to the Company, any Subsidiary of the Company or the Trustee.

"*Parent*" means Liberman Broadcasting, Inc., a Delaware corporation, or any successor.

"*Parent Entity Allowable Indebtedness*" means Indebtedness of Holdings other than the Discount Notes and the Holdings Notes issued in the 2012 Exchange Offers; provided that (i) the principal amount of such Indebtedness (excluding any paid-in-kind interest on such Indebtedness) does not exceed at any time $5.0 million, (ii) such Indebtedness has a final maturity date no earlier than the final maturity date of the Holdings Notes, (iii) such Indebtedness does not have the benefit of covenants or events of default

that are more restrictive than those contained in the indenture governing the Holdings Notes, (iv) such Indebtedness does not have the benefit of any guarantees by the Company or any of its Subsidiaries on the date of incurrence, (v) the rate of any interest payable in cash on such Indebtedness does not exceed the rate of interest payable in cash on the Holdings Notes and any interest payable in cash on such Indebtedness is due no earlier than the first date on which interest is payable in cash on the Holdings Notes, (vi) the percentage of principal amount on such Indebtedness that may be subject to amortization payments prior to final maturity of such Indebtedness does not exceed the percentage of principal amount of Holdings Notes that may be subject to amortization payments prior to final maturity of Holdings Notes and any amortization payments on such Indebtedness are due no earlier than the first date on which amortization payments are due on the Holdings Notes, and (vii) such Indebtedness is issued in exchange for, or issued to otherwise repurchase, refinance, retire or otherwise acquire for value the Discount Notes.

"*Parity Lien*" means a Lien granted upon any property of the Company or any other Obligor to secure Parity Lien Obligations that is subject to the Priority Lien Intercreditor Agreement.

"*Parity Lien Debt*" means:

(1) the Notes and the related Subsidiary Guarantees issued under this Indenture together with any PIK Notes and the Existing Second Lien Notes and the related subsidiary guarantees; and

(2) Indebtedness under any other Credit Facility or other Hedging Agreements or an issuance of debt securities that, in each case, is secured equally and ratably with the Notes by a Parity Lien that was permitted to be incurred and so secured under this Indenture; provided, in the case of each issue or series of Indebtedness referred to in this clause (2), that:

(a) on or before the date on which such Indebtedness is incurred by the Company or any other Obligor, as the case may be, such Indebtedness is designated by the Company or any other Obligor, as the case may be, in an officer's certificate delivered to the trustee, as "Parity Lien Debt" for the purposes of this Indenture; and

(b) all requirements set forth in the Priority Lien Intercreditor Agreement as to the confirmation, grant or perfection of the Lien to secure such Indebtedness or Obligations in respect thereof are satisfied (and the satisfaction of such requirements and the other provisions of this clause (b) will be conclusively established if the Company or any other Obligor, as the case may be, delivers to the trustee an officer's certificate stating that such requirements and other provisions have been satisfied and that such Indebtedness is "Parity Lien Debt");

provided that, the aggregate outstanding principal amount (excluding any paid-in-kind interest) of the Indebtedness referred to in clause (2) does not exceed the amount of such Indebtedness permitted to be incurred under (and not in violation of) Section 4.09(xix) and under Section 4.09(v) as Permitted Refinancing Indebtedness of the Notes, the Existing Second Lien Notes and the related subsidiary guarantees.

"*Parity Lien Debt Representatives*" means:

(1) in the case of the Notes and the Subsidiary Guarantees, the Trustee, or

(2) in the case of any other Series of Parity Lien Debt, the trustee, agent or representative of the holders of such Series of Parity Lien Debt who maintains the transfer

register for such Series of Parity Lien Debt and is appointed as a Parity Lien Debt Representative (for purposes related to the administration of the security documents securing the Parity Lien Debt) pursuant to the Credit Facility, indenture or other agreement governing such Series of Parity Lien Debt, and who has become a party to the Priority Lien Intercreditor Agreement.

"*Parity Lien Obligations*" means the Parity Lien Debt and all other Obligations in respect thereof.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"*Permitted Asset Swap*" means, with respect to any Person, the substantially concurrent exchange of assets of such Person (including Equity Interests of a Restricted Subsidiary) for assets of another Person, which assets are useful in a Permitted Business.

"*Permitted Business*" means any business activity engaged in by the Company or its Restricted Subsidiaries as of the date of the Existing Second Lien Notes Indenture or any business similar, reasonably related, incidental, ancillary or complementary thereto.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary of the Company; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated or dissolved into, the Company or a Restricted Subsidiary of the Company;

and, in each case, any Investment held by such Person at the time it becomes a Restricted Subsidiary or is merged or consolidated with the Company or any of its Restricted Subsidiaries; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger or consolidation or transfer;

(4) any Investment made or held as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 or any other disposition not constituting an Asset Sale;

(5) any acquisition of assets (including Investments in Unrestricted Subsidiaries) to the extent the payment for which consists of Equity Interests (other than Disqualified Stock) of the Company or Parent;

(6) any Investments received in compromise of obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(7) Hedging Obligations;

(8) loans and advances to employees of the Company and its Restricted Subsidiaries and loans to Affiliates of the Company and other Persons not in excess of $5.0 million in aggregate principal amount at any time outstanding and the cancellation or forgiveness thereof; *provided, however*, that no such cancellation or forgiveness shall increase the aggregate amount of loans or advances otherwise permitted under this clause (8);

(9) the receipt by the Company of notes from one or more employees of the Company or any Restricted Subsidiary of the Company in connection with such employees' acquisition of shares of Parent's common stock and any cancellation or forgiveness thereof, so long as no cash is advanced by the Company or any Restricted Subsidiary of the Company to such officers or employees or Parent in connection with the acquisition of any such obligations or the cancellation or forgiveness thereof;

(10) escrow deposits made pursuant to Investments permitted hereunder or acquisitions;

(11) Investments relating to LMAs entered into in connection with independently owned broadcast properties, not to exceed an aggregate of $10.0 million;

(12) Investments in joint ventures that will own assets, such as transmission towers or studio space, or provide programming or other services, such as news or advertising, that may be used by the Company or a Restricted Subsidiary in the ordinary course of business, not in excess of $3.0 million at any time outstanding;

(13) Investments in existence on the date of the Existing Second Lien Notes Indenture;

(14) Investments in the ordinary course of business consisting of endorsements for collection or deposit;

(15) the loans to Lenard Liberman made on December 20, 2001, June 14, 2002 and July 9, 2002 in the principal amount of $243,095, $32,000 and $1,916,563, respectively, the loans made to Jose Liberman on December 20, 2001 and July 29, 2002 in the principal amount of $146,590 and $75,000, respectively, the loans made to Winter Horton on November 20, 1998, November 22, 2002, November 29, 2002 and April 8, 2006 in the principal amount of $30,000, $36,000, $349,000 and $275,000, respectively, and any cancellation or forgiveness thereof;

(16) guarantees issued in accordance with Section 4.09; and

(17) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed the greater of (a) $10.0 million or (b) 5.0% of Total Assets.

Notwithstanding the foregoing, Permitted Investments shall not include, and the Company and its Restricted Subsidiaries may not make or hold, Investments in Subsidiaries or Affiliates of the Company that are not Guarantors.

"*Permitted Junior Securities*" means:

(1) Equity Interests in the Company or, subject to the terms of the Credit Agreement, any Guarantor; or

(2) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Notes and the related subsidiary guarantees are subordinated to Senior Debt under this Indenture.

"*Permitted Liens*" means:

(1) Liens of the Company and any Guarantor securing First Priority Bank Debt and all related First Priority Bank Debt Obligations permitted by the terms of this Indenture to be incurred;

(2) Liens in favor of the Company or any Restricted Subsidiary;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens were not incurred in contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary; *provided* that such Liens were not incurred in contemplation of such acquisition;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens to secure Obligations under Indebtedness (including Capital Lease Obligations) permitted by clause (iv) of the second paragraph of Section 4.09 covering only the assets acquired, constructed or improved with such Indebtedness;

(7) (i) Liens existing on the date of the Existing Second Lien Notes Indenture, and (ii) Liens securing the Obligations under the First Priority Senior Secured Notes, the Existing Second Lien Notes and their respective related subsidiary guarantees;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(9) Liens on assets of Unrestricted Subsidiaries that secure Non-Recourse Debt of Unrestricted Subsidiaries;

(10) Liens created for the benefit of the Notes or the Subsidiary Guarantees;

(11) Liens securing Permitted Refinancing Indebtedness where the Liens securing indebtedness being refinanced were permitted under this Indenture; *provided*, however, that the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof);

(12) easements, rights-of-way, zoning and similar restrictions and other similar encumbrances or title defects incurred or imposed, as applicable, in the ordinary course of business and consistent with industry practices;

(13) any interest or title of a lessor under any Capital Lease Obligation;

(14) Liens securing reimbursement obligations with respect to letters of credit which encumber documents and other property relating to letters of credit and products and proceeds thereof;

(15) Liens encumbering deposits made to secure statutory, regulatory, contractual or warranty obligations, including rights of offset and set-off;

(16) Liens securing Hedging Obligations permitted under this Indenture;

(17) leases or subleases granted to others;

(18) Liens under licensing agreements;

(19) Liens arising from filing Uniform Commercial Code financing statements regarding leases;

(20) judgment Liens not giving rise to an Event of Default;

(21) Liens encumbering property of the Company or a Restricted Subsidiary consisting of carriers, warehousemen, mechanics, materialmen, repairmen and landlords, and other Liens arising by operation of law and incurred in the ordinary course of business for sums that are not overdue or that are being contested in good faith by appropriate proceedings and (if so contested) for which appropriate reserves with respect thereto have been established and maintained on the books of the Company or a Restricted Subsidiary in accordance with GAAP;

(22) Liens encumbering property of the Company or a Restricted Subsidiary incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance, or other forms of governmental insurance or benefits, or to secure performance of bids, tenders, statutory obligations, leases, and contracts (other than for Indebtedness for borrowed money) entered into in the ordinary course of business of the Company or a Restricted Subsidiary;

(23) Liens on property or assets used to defease or to satisfy and discharge Indebtedness; *provided* that (a) the incurrence of such Indebtedness was not prohibited by this Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by this Indenture;

(24) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading

accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(25) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 4.09; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(26) customary Liens for the fees, costs and expenses of trustees and escrow agents pursuant to this Indenture, escrow agreements and similar agreements;

(27) bankers' Liens in the nature of rights of setoff arising in the ordinary course of business of the Company or any of its Restricted Subsidiaries;

(28) Liens incurred in the ordinary course of business of the Company or its Restricted Subsidiaries with respect to Obligations that do not exceed $5.0 million at any one time outstanding; and

(29) Parity Liens to secure Obligations under Indebtedness permitted by Section 4.09(xix).

"*Permitted New Second Priority Debt*" means Indebtedness of the Company incurred to redeem, repurchase, retire, defease or otherwise refinance Old Senior Subordinated Notes or Discount Notes; *provided* that (i) the principal amount of such Indebtedness does not exceed at any time an amount equal to $5.0 million, (ii) such Indebtedness has a final maturity date no earlier than the final maturity date of the Notes, (iii) such Indebtedness does not have the benefit of covenants or events of default that are more restrictive than those contained in this Indenture, and (iv) the rate of any interest payable in cash on such Indebtedness does not exceed the amount of interest that is permitted to be paid in cash on the Notes in accordance with the terms of the Notes.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith) and, to the extent and in the proportion that the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded is paid-in-kind, interest on such Permitted Refinancing Indebtedness shall be paid-in-kind;

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is Subordinated Debt, such Permitted Refinancing Indebtedness has a final maturity date

later than the final maturity date of, and shall constitute Subordinated Debt at least to the same extent as and on terms at least as favorable to the Holders of, Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded and such Permitted Refinancing Indebtedness shall not have the benefit of covenants or events of default more restrictive than those contained in this Indenture.

"*Permitted Tax Distributions*" means, for so long as the Company is a member of a group filing a consolidated or combined tax return with the Parent and/or Holdings, cash distributions or loans to the Parent and/or Holdings (including through Holdings) in respect of the allocable portion of the tax liabilities of such group that is attributable to the Company and its Subsidiaries ("*Tax Payments*"). The Tax Payments for any given tax period shall not exceed the lesser of (i) the amount of the relevant tax (including any penalties and interest) that the Company would owe if the Company were filing a separate tax return (or a separate consolidated or combined return with its Subsidiaries that are members of the consolidated or combined group for tax purposes), taking into account any carryovers and carrybacks of tax attributes (such as net operating losses) of the Company and such Subsidiaries from other taxable years to the extent such tax attributes actually offset any tax liability in such tax period and (ii) the net amount of the relevant tax that the Parent actually owes to the appropriate taxing authority. Any Tax Payments from the Company shall be paid over to the appropriate taxing authority within 30 days of the Parent's and/or Holdings' receipt of such Tax Payments or contributed or repaid to the Company.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*PIK Interest*" means (A) on or prior to November 15, 2016, at the election of the Company (made by delivering a notice to the Trustee prior to the beginning of each applicable interest period), an amount equal to either (i) 2.75% per annum paid by issuing additional principal on the Notes or (ii) 9.25% per annum paid by issuing additional principal on the Notes, and (B) from and after November 15, 2016, an annual amount equal to 2.75% per annum paid by issuing additional principal on the Notes.

"*PIK Notes*" means any additional Notes issued evidencing any PIK Interest pursuant to the terms of this Indenture.

"*Principals*" means Jose Liberman and Lenard Liberman.

"*Priority Lien Intercreditor Agreement*" means that certain Intercreditor Agreement, dated as of December 31, 2012, among the Company, the guarantors from time to time party thereto, U.S. Bank National Association, as trustee under the Existing Second Lien Notes Indenture and as collateral agent, the First Priority Lien Collateral Trustee, and the other first priority lien debt representatives and subordinated lien debt representatives from time to time party thereto, including the Trustee, as amended, supplemented or otherwise modified from time to time.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*Public Equity Offering*" means an underwritten primary public offering of common stock of the Company or Parent.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Qualifying IPO*" means the consummation by Parent of an initial public offering of common stock resulting in gross proceeds to Parent (prior to the deduction of commissions) of $50.0 million or more.

"*Real Property Asset*" means, at any time of determination, any fee ownership or leasehold interest then owned by the Company or any Guarantor (other than Empire Burbank) in any real property.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as appropriate.

"*Regulation S Permanent Global Note*" means a permanent Global Note in the form of Exhibit A-1 hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"*Regulation S Temporary Global Note*" means a temporary Global Note in the form of Exhibit A-2 hereto and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"*Related Party*" means:

(1) any family member, spouse, heir, devisee, executor or similar legal representative of any Principal; or

(2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1); or

(3) to the extent not included in clause (1) or (2), any other Class B Permitted Transferee (as defined in the Restated Certificate of Incorporation of Parent, as in effect on the date of the Existing Second Lien Notes Indenture).

"*Requirement of Law*" means as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"*Responsible Officer*" means with respect to any Person, its chief executive officer, president or chief financial officer, but in any event, with respect to financial matters, the chief financial officer or, in each case, the person performing the functions associated with such titles.

"*Restricted Asset Sale Proceeds*" means Net Proceeds from Asset Sales (other than any Net Proceeds from Spectrum Asset Sales) that are less than or equal to (i) $12.5 million in the aggregate for the first full year after the date of the Existing Second Lien Notes Indenture and (ii) $10 million in the aggregate for each year period beginning on an anniversary date of the Existing Second Lien Notes Indenture; provided that unused amounts for any period may be carried forward to subsequent periods and shall constitute Restricted Asset Sale Proceeds for such subsequent periods; provided further that all Net

Proceeds from the sale of the Sawyer Property and the sale of KTCY-FM shall constitute Restricted Asset Sale Proceeds but the amount of Net Proceeds from such sales shall not count toward the amounts in clauses (i) and (ii) above. For example, if Net Proceeds from Asset Sales total $7.5 million during the first full year after the date of the Existing Second Lien Notes Indenture ("Year 1"), Restricted Asset Sale Proceeds for the annual period beginning on the first anniversary date of the Existing Second Lien Notes Indenture ("Year 2") shall equal $15 million ($10 million + $5 million carried forward from Year 1). If Net Proceeds from Asset Sales total $12 million during Year 2, Restricted Asset Sale Proceeds for the following annual period ("Year 3") shall equal $13 million ($10 million + $3 million carried forward from Year 2). If Net Proceeds from Asset Sales total $13 million during Year 3, Restricted Asset Sale Proceeds for the following annual period shall equal $10 million ($10 million + no carry forward from Year 3).

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means Standard & Poor's, a division of the McGraw-Hill Companies, Inc. and any successor to its rating agency business.

"*Sawyer Property*" means the Real Property Asset located at 5930 Sawyer Street, Los Angeles, California.

"*SEC*" means the Securities and Exchange Commission.

"*Secured Debt Documents*" means collectively, this Indenture, the Notes, the Subsidiary Guarantees, the Priority Lien Intercreditor Agreement, the Security Documents and all other agreements related to this Indenture, the Notes and the Subsidiary Guarantees, and the indenture or agreement governing each other Series of Parity Lien Debt and all other agreements governing, securing or relating to any Parity Lien Obligation.

"*Secured Parties*" means the holders of the Notes and any other Parity Lien Obligations, any Parity Lien Debt Representatives and the Trustee.

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

"*Security Documents*" means one or more security agreements, debentures, pledge agreements, collateral assignments, mortgages, collateral agency agreements, control agreements, deeds of trust or

other grants or transfers for security executed and delivered by the Company and each other Guarantor (other than Empire Burbank, but solely with respect to the Lien on certain property of Empire Burbank in favor of Jefferson Pilot Financial Insurance Company) creating (or purporting to create) a Lien upon Collateral in favor of the Collateral Agent, for the benefit of the Secured Parties, in each case, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, in accordance with its terms.

"*Senior Debt*" means:

(1) the Indebtedness of the Company or any Restricted Subsidiary outstanding under Credit Facilities and all Hedging Obligations with respect thereto;

(2) the First Priority Senior Secured Notes;

(3) any other Indebtedness of the Company or any Guarantor permitted to be incurred under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes or any Subsidiary Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by the Company or any Restricted Subsidiary;

(2) any intercompany Indebtedness of the Company or any of its Restricted Subsidiaries to the Company or any of its Affiliates;

(3) any trade payables; or

(4) the portion of any Indebtedness that is incurred in violation of this Indenture; *provided* that such Indebtedness shall be deemed not to have been incurred in violation of this Indenture for purposes of this clause (4) if such Indebtedness consists of Indebtedness under any Credit Facility and holders of such Indebtedness or their agent or representative (i) had no actual knowledge at the time of the incurrence that the incurrence of such Indebtedness violated this Indenture and (ii) shall have received an Officer's Certificate to the effect that the incurrence of such Indebtedness does not violate the provisions of this Indenture (but nothing in this clause (4) shall preclude the existence of any Default or Event of Default in the event that the Indebtedness is in fact incurred in violation of this Indenture).

"*Series of First Priority Lien Debt*" means, severally, the First Priority Senior Secured Notes and the related subsidiary guarantees, the Indebtedness under the Credit Agreement, the guarantees of the Credit Agreement and each other issue or series of First Priority Lien Debt for which a single transfer register is maintained, and for purposes of the First Lien Intercreditor Agreement, Hedging Obligations (other than the Specified Hedge Obligations) owed to Lender Hedge Providers will be treated as part of the same Series of First Priority Lien Debt as the other First Priority Lien Debt owed to such Lender Hedge Provider or its Affiliate or which pursuant to any amendment to the First Lien Intercreditor Agreement are to be represented thereunder by a common First Priority Lien Debt Representative (in its capacity as such for such First Priority Lien Debt).

"*Series of Parity Lien Debt*" means, severally, the Notes and the Subsidiary Guarantees and each other issue or series of Parity Lien Debt for which a single transfer register is maintained or which pursuant to any amendment to the Priority Lien Intercreditor Agreement are to be represented thereunder by a common Parity Lien Debt Representative (in its capacity as such for such Parity Lien Debt) (it being understood that the Existing Second Lien Notes and the Notes constitute separate series of Parity Lien Debt).

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the Existing Second Lien Notes Indenture.

"*Specified Hedge Obligations*" means, so long as the Specified Hedge Provider has executed and delivered a joinder to the First Lien Intercreditor Agreement in accordance with the terms thereof, the actual Indebtedness of the Company to the Specified Hedge Provider pursuant to the Specified Hedging Agreement.

"*Specified Hedge Provider*" means, so long as it has executed a Collateral Trust Joinder (as defined in the First Lien Intercreditor Agreement), Credit Suisse International.

"*Specified Hedging Agreement*" means, so long as the Specified Hedge Provider has executed and delivered a Collateral Trust Joinder (as defined in the First Lien Intercreditor Agreement), that certain confirmation dated as of February 9, 2009 between the Company and the Specified Hedge Provider and the ISDA Master Agreement related thereto, if any.

"*Spectrum Asset Sales*" means the sale by Company or any of its Restricted Subsidiaries of any or all of its spectrum usage rights for each six megahertz channel currently utilized by its full power television stations as of the date of this Indenture.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees or comparable governing body of the corporation, limited liability company, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantee*" means the Guarantee by each Guarantor of the Company's payment obligations under this Indenture and on the Notes, executed pursuant to the provisions of this Indenture.

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA.

"*Total Assets*" means, as of any date, the total assets of the Company and the Restricted Subsidiaries on a consolidated basis at the end of the fiscal quarter immediately preceding such date, and, in the case of any determination relating to the incurrence of Indebtedness or any Permitted Investment, calculated on a pro forma basis including any property or assets being acquired in connection therewith.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to November 15, 2017; provided, however, that (i) if the period from such redemption date to such date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation of extrapolation (calculated to the nearest one twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given and (ii) if the period from the redemption date to November 15, 2017 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trust Officer*" when used with respect to the Trustee, means any officer within the corporate trust administration group of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any such officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Trustee*" means the party named as such in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note*" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"*Unrestricted Global Note*" means a permanent Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Company's Board of Directors as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are not materially less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or

(b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Company's Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the terms of Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date pursuant to Section 4.09, the Company will be in default under such section. The Company's Board of Directors may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted pursuant to Section 4.09, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

"*U.S. Person*" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Warrants*" means the warrants to purchase shares of Class A common stock, par value $0.001, of Parent.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Subsidiary*" means, with respect to any Person at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing 100% of the equity or ordinary voting power (other than directors' qualifying shares) or, in the case of a partnership, 100% of the general partnership interests are, as of such date, directly or indirectly owned, controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

Section 1.02. Other Definitions.

Term	Defined in Section
"*Affiliate Transaction*"	4.11
"*Asset Sale Offer*"	3.09
"*Authentication Order*"	2.02
"*Cash Interest*"	Exhibit A
"*Change of Control Offer*"	4.15
"*Change of Control Payment*"	4.15
"*Change of Control Payment Date*"	4.15
"*Company*"	Preamble
"*Covenant Defeasance*"	8.03
"*DTC*"	2.03
"*Event of Default*"	6.01
"*Excess Proceeds*"	4.10
"*incur*"	4.09
"*Incurrence Notice*"	4.09
"*Insignificant Subsidiaries*"	6.01
"*Issue Date Mortgaged Properties*"	10.03
"*Legal Defeasance*"	8.02
"*Offer Amount*"	3.09
"*Offer Period*"	3.09
"*Paying Agent*"	2.03
"*Payment Blockage Notice*"	13.03
"*Payment Default*"	6.01
"*Permitted Debt*"	4.09
"*PIK Payment*"	2.01
"*Purchase Date*"	3.09
"*Registrar*"	2.03
"*Restricted Payments*"	4.07
"*Subordinated Debt*"	4.07
"*Successor Person*"	5.01
"*Tax Payments*"	1.01

Section 1.03. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) "will" shall be interpreted to express a command;

(f) provisions apply to successive events and transactions; and

(g) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

Section 1.04. Priority Lien Intercreditor Agreement.

(a) Each Holder, by accepting a Note, agrees, and the Trustee agrees, that this Indenture is subject to the terms of the Priority Lien Intercreditor Agreement, that such Holder's and the Trustee's rights and benefits hereunder are limited accordingly, that such Holder's and the Trustee's rights and benefits are subject to all relevant provisions of the Priority Lien Intercreditor Agreement, and that such Holder shall comply with the provisions of the Priority Lien Intercreditor Agreement applicable to such Holder in its capacity as such as if such Holder was a party thereto. In the event of any conflict between the terms of this Indenture and those of the Priority Lien Intercreditor Agreement with respect to the rights, privileges, protections, indemnities and exemptions of the Trustee (in any of its capacities hereunder), the terms of this Indenture shall control.

(b) Each Holder, by accepting a Note, hereby authorizes and directs the Trustee to execute and deliver an amendment and restatement of the Priority Lien Intercreditor Agreement adding the Notes and related Subsidiary Guarantees and any PIK Notes as Parity Lien Debt and Parity Lien Obligations thereunder and making certain other conforming changes thereto and hereby agrees to be bound by the terms of the Priority Lien Intercreditor Agreement.

ARTICLE 2.
THE NOTES

Section 2.01. Form and Dating.

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. Subject to the issuance of PIK Notes as described herein, the Notes shall be in fully registered form, without coupons, equal to $1,000 and any integral multiple of $1,000 in excess thereof, and PIK Payments, if any, shall be equal to $1.00 and any integral multiple of $1.00 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture; and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling. Unless the context requires otherwise, (1) references to "Notes" for all purposes of this Indenture include any Additional Notes and PIK Notes that are actually issued and (2) references to "principal amount" of Notes includes any increase in the principal amount of outstanding Notes (including PIK Notes) as a result of a PIK Payment.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A-1 or A-2 attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A-1 attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions or PIK Interest. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal

amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Temporary Global Notes.* Notes offered and sold in reliance on Regulation S will be issued initially in the form of the Regulation S Temporary Global Note, which will be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The Restricted Period will be terminated upon the receipt by the Trustee of:

(i) a written certificate from the Depositary, together with copies of certificates from Euroclear and Clearstream certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a 144A Global Note or an IAI Global Note bearing a Private Placement Legend, all as contemplated by Section 2.06(b) hereof); and

(ii) an Officer's Certificate from the Company.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Note will be exchanged for beneficial interests in the Regulation S Permanent Global Note pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Note, the Trustee will cancel the Regulation S Temporary Global Note. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Permanent Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) *Euroclear and Clearstream Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream will be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Note that are held by Participants through Euroclear or Clearstream.

(e) *Terms*. The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(f) *Issuance of Additional Notes*. Additional Notes ranking *pari passu* with the Initial Notes may be created and issued from time to time by the Company without notice to or consent of the Holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise as the Initial Notes; provided that the Company's ability to issue

Additional Notes shall be subject to the Company's compliance with Section 4.09 hereof. Any Additional Notes shall be issued with the benefit of an indenture supplemental to this Indenture.

(g) *PIK Payments*. In connection with the payment of PIK Interest in respect of the Notes, without notice to or consent of the Holders and without regard to any restrictions or limitations set forth in Section 4.09 hereof, the outstanding principal amount of the Notes may be increased from time to time or PIK Notes ranking *pari passu* with the Initial Notes may be created and issued from time to time by the Company (in each case, a "*PIK Payment*") and such PIK Notes shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, redemption or otherwise as the Initial Notes. PIK Interest on the Notes will be payable (x) with respect to Global Notes registered in the name of, or held by, the Depository, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar) as provided in writing by the Company to the Trustee and (y) with respect to Definitive Notes, by issuing PIK Notes in definitive form in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar). The Trustee will, at the request of the Company, authenticate and deliver such PIK Notes in certificated form for original issuance to the Holders on the relevant record date, as shown by the records of the register of Holders. Following an increase in the principal amount of the outstanding global Notes as a result of a PIK Payment, the Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. Any PIK Notes issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. Any PIK Notes issued in certificated form shall be issued with the benefit of an indenture supplemental to this Indenture and shall be issued substantially in the form of Exhibit A-1 attached hereto with the description "PIK" on the face of such PIK Note.

Section 2.02. Execution and Authentication.

One Officer will sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue up to the aggregate principal amount of the Initial Notes, plus the aggregate principal amount of any PIK Payments, plus the aggregate principal amount of any Additional Notes permitted to be issued under this Indenture. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate the Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03. Registrar and Paying Agent.

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment

("*Paying Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company will notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05. Holder Lists.

The Trustee will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06. Transfer and Exchange.

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(i) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary; or

(ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; *provided* that in no event shall the Regulation S Temporary Global Note be

exchanged by the Company for Definitive Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act.

Upon the occurrence of either of the preceding events in (i) or (ii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note except for Definitive Notes issued subsequent to any of the preceding events in (i) or (ii) above and Section 2.06(c) hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser or pursuant to Rule 144A). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this

Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(iii) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Note or the Regulation S Permanent Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in subparagraph (1) or (2) above, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to clause (iv) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted

Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to clause (iv) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable; or

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof;

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange

for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) *Beneficial Interests in Regulation S Temporary Global Note to Definitive Notes.* Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in subparagraph (1) or (2) above, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) will be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest instructs the Registrar through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests.*

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable;

(F) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel such Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, in the case of clause (C) above, the Regulation S Global Note, and in all other cases, the IAI Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Definitive Note proposes to transfer such Note to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (1) or (2) above, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee will cancel the Definitive Notes so transferred or exchanged and increase or cause to be increased the aggregate principal amount of the applicable Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(i) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (1) or (2) above, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A OR IAI NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH AN ISSUER OR ANY AFFILIATE OF AN ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO THE ISSUER OR ANY OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RIGHT OF THE ISSUER AND THE TRUSTEE OR REGISTRAR, AS APPLICABLE, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii) or (e)(iii) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(ii) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE OR

SECTION 2.01(g) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) *Regulation S Temporary Global Note Legend.* The Regulation S Temporary Global Note will bear a legend in substantially the following form:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such

other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(h) *General Provisions Relating to Transfers and Exchanges*.

(i) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(ii) No service charge will be made to a Holder of a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(iii) The Registrar will not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company will not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by

the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company or, if applicable, the Trustee may charge the Holder of any lost or mutilated Note for its expenses in replacing a Note. In the event any such Note shall have matured, instead of issuing a replacement Note as provided above, the Trustee may pay the same upon receipt by the Company and the Trustee of indemnity satisfactory to each of them.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08. Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Guarantor, or any Affiliate of the Company or any Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee knows are so owned will be so disregarded.

Section 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else will cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will destroy canceled Notes (subject to the record retention requirement of the Exchange Act). Certification of the destruction of all canceled Notes will be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12. Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, the Company will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date, provided that no such special record date will be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

ARTICLE 3.
REDEMPTION AND PREPAYMENT

Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it will furnish to the Trustee, at least 35 days (or shorter period of time acceptable to the Trustee), but not more than 60 days before a redemption date, an Officer's Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to Be Redeemed or Purchased.

If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee will select Notes for redemption or repurchase as follows:

(a) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(b) if the Notes are not listed on any national securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee deems fair and appropriate.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Trustee from the outstanding Notes not previously called for redemption or purchase.

The Trustee will promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in the amounts of $1,000 or whole multiples of $1,000 in excess thereof (or if a PIK Payment has been made, in the amounts of $1.00 or whole multiples of $1.00 in excess thereof); except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03. Notice of Redemption.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Article 8 or 12 of this Indenture.

The notice will identify the Notes to be redeemed and will state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee will give the notice of redemption in the Company's name and at its expense; *provided, however*, that the Company has delivered to the Trustee, at least 5 Business Days before notice of redemption is required to be mailed to Holders pursuant to this Section 3.03 (unless a shorter time is agreed to by the Trustee), an Officer's Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional. The notice, if mailed in the manner provided herein, shall be conclusively presumed to have been given, whether or not the Holder received such notice.

Section 3.05. Deposit of Redemption or Purchase Price.

Prior to 11:00 a.m. (New York City time) on the redemption date or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest, if any, on, all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06. Notes Redeemed or Purchased in Part.

Upon surrender of a Note that is redeemed or purchased in part, the Company will issue and the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07. Optional Redemption.

(a) At any time prior to November 15, 2016, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 111% of the principal amount, plus accrued and unpaid interest, if any, thereon to the applicable redemption date, with all or a portion of the net cash proceeds of one or more Equity Offerings; *provided* that:

(i) at least 65% of the aggregate principal amount of Notes issued under this Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Affiliates); and

(ii) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(b) On or after November 15, 2017, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the

applicable redemption date, if redeemed during the twelve-month period beginning on November 15 of the years indicated below:

Year	**Percentage**
2017	105.500%
2018	102.750%
2019 and thereafter	100.000%

(c) At any time or from time to time prior to November 15, 2017, the Company, at its option, may redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium, together with accrued and unpaid interest thereon, if any, to the redemption date. The Company may provide that payment of such redemption price may be made by, and performance of the obligations in respect of such redemption may be performed by, another Person.

(d) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

Section 3.08. Mandatory Redemption; Open Market Purchases.

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09. Offer to Purchase by Application of Excess Proceeds.

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "*Asset Sale Offer*"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Purchase Date*"), the Company will apply all Excess Proceeds (the "*Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a pro rata basis, if applicable) or, if less than the Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as principal payments at maturity are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment will continue to accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in denominations of $1,000 or an integral multiple of $1,000 in excess thereof (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof);

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders will be entitled to withdraw their election if the Company, the depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(h) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness, as the case may be, surrendered by Holders or holders of such *pari passu* Indebtedness exceeds the Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased on a *pro rata* basis based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples of $1,000 in excess thereof, will be purchased (or if a PIK Payment has been made, in minimum denominations of $1.00, or integral multiples of $1.00 in excess thereof)); and

(i) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Offer Amount of Notes and any *pari passu* Indebtedness or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes and other *pari passu* Indebtedness tendered, and will deliver to the Trustee an Officer's Certificate stating that such Notes and *pari passu* Indebtedness or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company will authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any

unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4.
COVENANTS

Section 4.01. Payment of Notes.

The Company will pay or cause to be paid the principal of, premium, if any, and interest, if any, on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and Cash Interest will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 12:00 p.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and Cash Interest then due. PIK Interest shall be considered paid on the date due if on such date the Trustee has received (i) a written order from the Company signed by one Officer to increase the balance of any Global Note to reflect such PIK Interest or (ii) PIK Notes duly executed by the Company together with a written order of the Company signed by one Officer requesting the authentication of such PIK Notes by the Trustee.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company will fail to maintain any such required office or agency or will fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.03.

Section 4.03. Reports

(a) So long as any Notes are outstanding, the Company will cause to be furnished to the Holders and filed with the Trustee:

(1) within 95 days after the end of each fiscal year:

(A) audited year-end consolidated financial statements of either (i) the Company and its Subsidiaries or (ii) Parent and its Subsidiaries (including balance sheets, statements of operations and statements of cash flows that would be required from an SEC registrant in an Annual Report on Form 10-K, including pursuant to Rule 3-10 of Regulation S-K promulgated by the SEC) prepared in accordance with GAAP, including a report on the annual financial statements by certified independent accountants;

(B) the information described in Item 303 of Regulation S-K under the Securities Act ("*Management's Discussion and Analysis of Financial Condition and Results of Operations*") with respect to such period, to the extent such information would otherwise be required to be filed in an Annual Report on Form 10-K; and

(C) a presentation of adjusted EBITDA, consistent in all material respects with the presentation of adjusted EBITDA in the Offering Circular for the 2012 Exchange Offers and derived from the financial statements described in (1)(A) above;

(2) within 50 days after the end of each of the first three fiscal quarters of each fiscal year,

(A) unaudited quarterly consolidated financial statements of either (i) the Company and its Subsidiaries or (ii) Parent and its Subsidiaries (including balance sheets, statements of operations and statements of cash flows) that would be required from an SEC registrant in a Quarterly Report on Form 10-Q, and a SAS 100 review by certified independent accountants, prepared in accordance with GAAP, subject to normal year-end adjustments;

(B) the information described in Item 303 of Regulation S-K under the Securities Act with respect to such period, to the extent such information would otherwise be required to be filed in a Quarterly Report on Form 10-Q; and

(C) a presentation of adjusted EBITDA, consistent in all material respects with the presentation of adjusted EBITDA in the Offering Circular for the 2012 Exchange Offers and derived from the financial statements described in (2)(A) immediately above; and

(3) within 5 Business Days after the occurrence of each event that would have been required to be reported in a Current Report on Form 8-K under the Exchange Act (other than with respect to information otherwise required or contemplated by Item 402 of Regulation S-K) if the Company had been a reporting company under the Exchange Act, current reports containing substantially all of the information that would have been required to be contained in a Current Report on Form 8-K under the Exchange Act under such items if the Company had been a reporting company under the Exchange Act; *provided*, *however*, that no such current report will be required to be furnished if the Company determines in its good faith judgment that such event

is not material to Holders or the business, assets, operations, financial positions or prospects of the Company and its Subsidiaries, taken as a whole.

Notwithstanding the foregoing, in no event will such reports be required to (1) comply with Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, or Item 10(e) of Regulation S-K (with respect to any non-GAAP financial measures contained therein), or (2) contain the separate financial statements of Subsidiaries whose securities are pledged to secure the Notes as contemplated by Rule 3-16 of Regulation S-X promulgated by the SEC.

(b) So long as any Notes are outstanding, the Company will also:

(1) within 10 Business Days after causing the annual report required by clause (1) of Section 4.03(a) to be furnished to the Holders and filed with the Trustee, use commercially reasonable efforts to hold a conference call to discuss such report and the results of operations for the reporting period;

(2) issue a press release to a nationally recognized wire service no fewer than three Business Days prior to the date of the conference call required to be held in accordance with this Section 4.03(b), announcing the time and date of such conference call and either including all information necessary to access the call or directing Holders, beneficial owners, prospective investors, broker-dealers and securities analysts to contact the appropriate person at the Company to obtain such information; and

(3) either (a) maintain a website (which may be non-public) to which Holders, beneficial owners that certify they are beneficial owners of the Notes, prospective investors that certify that they are qualified institutional buyers, broker-dealers, securities analysts and market makers are given access and to which all of the information required by this Section 4.03 is posted; or (b) file such information with the SEC on its EDGAR system (or any successor system).

(c) To the extent that the Company elects to furnish information in respect of Parent and its Subsidiaries rather than the Company and its Subsidiaries, as provided in subparagraphs (1) and (2) of Section 4.03(a), the Company will include in such information to be provided pursuant to such subparagraphs (1) and (2) above, a capitalization table in respect of the Company and its Subsidiaries consistent in all material respects with the presentation of the capitalization table in the Offering Circular for the 2012 Exchange Offers.

(d) If Parent or the Company, as the case may be, has complied with the reporting requirements of Section 13 or 15(d) of the Exchange Act, if applicable, and has furnished the Holders, or filed electronically with the SEC's EDGAR system (or any successor system) the reports described herein (but for clauses 1(C) and 2(C) only to the extent not prohibited by the rules and regulations of the Exchange Act) with respect to Parent or the Company within the time period required pursuant to Section 13 or 15(d) of the Exchange Act, as the case may be, then the Company shall be deemed to be in compliance with the provisions of Section 4.03(a).

(e) The Company shall provide S&P and Moody's (and their respective successors) with information on a periodic basis as S&P or Moody's, as the case may be, shall reasonably require in order to maintain public ratings of the Notes. In addition, the Company shall furnish to Holders, prospective investors, broker-dealers and securities analysts, upon their request, any information required to be

delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

Section 4.04. Compliance Certificate.

(a) The Company and each Guarantor shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries, during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and that there is no default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default will have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto).

(b) So long as the Notes are outstanding, deliver to the Trustee, within five Business Days of any Officer becoming aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default.

Section 4.05. Taxes.

The Company will pay, and will cause each of its Restricted Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate negotiations or proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

The Company and each of the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each of the Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and other than dividends or distributions payable to the Company or a Restricted

Subsidiary of the Company and pro rata dividends or distributions payable to minority stockholders of any Restricted Subsidiary);

(ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company (other than any such Equity Interests owned by the Company or any of its Restricted Subsidiaries);

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is (x) secured by a lien junior in right of payment to the Notes, (y) contractually subordinated in right of payment to the Notes or the Subsidiary Guarantees or (z) is unsecured (other than Indebtedness permitted to be incurred pursuant to clauses (i), (iv), (vi) (to the extent such Indebtedness is owed to the Company or a Guarantor), (ix), (x), (xiii) or (xvi) of Section 4.09 (collectively, "*Subordinated Debt*"), except:

(A) a payment of interest or principal at the Stated Maturity thereof;

(B) a payment into a trust within one year of the Stated Maturity of any such Subordinated Debt which payment effects a defeasance or discharge of such Indebtedness;

(C) intercompany Indebtedness permitted under clause (vi) of Section 4.09 and

(D) the payment of interest or principal in anticipation of satisfying a sinking fund obligation, mandatory redemption or final maturity, in each case, within one year of the due date thereof; or

(iv) make any Restricted Investment (all such payments and other actions set forth in these clauses (i) through (iv) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of Section 4.09; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Indenture (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19) and (20), to the extent that any payment made by Parent pursuant to the terms of the Management Incentive Contracts reduces Consolidated Net Income of the Company, (11) of Section 4.07(b)), is less than the sum, without duplication, of:

(i) (A) 100% of the aggregate of the Company's Consolidated Cash Flow (or, in the event such Consolidated Cash Flow shall be a deficit, minus 100% of such deficit) accrued for the period beginning on April 1, 2011 and ending on the last day of the most recently completed month for which internal consolidated financial information is available to the Company at the time of such Restricted Payment, taken as one accounting period, less (ii) 1.4 times Consolidated Interest Expense for the same period, *plus*

(ii) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by the Company's Board of Directors, of other assets used or useful in the business of the Company and its Restricted Subsidiaries received by the Company since the date of the indenture governing the First Priority Senior Secured Notes from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or Disqualified Stock or debt securities of the Company that have been converted into such Equity Interests (other than (i) Equity Interests (or Disqualified Stock or convertible debt securities) sold to a Restricted Subsidiary and (ii) Disqualified Stock or convertible debt securities that have been converted into Disqualified Stock), *plus*

(iii) 100% of the net cash proceeds and the fair market value, as determined in good faith by the Company's Board of Directors, of other assets used or useful in the business of the Company and its Restricted Subsidiaries received by the Company as bona fide equity capital contributions since the date of the indenture governing the First Priority Senior Secured Notes, *plus*

(iv) the aggregate amount returned in cash with respect to Restricted Investments made after the date of the indenture governing the First Priority Senior Secured Notes, to the extent such dividends were not otherwise included in Consolidated Cash Flow, whether through interest payments, principal payments, dividends or other distributions, *plus*

(v) the net cash proceeds and the fair market value, as determined in good faith by the Company's Board of Directors, of other assets used or useful in the business of the Company and its Restricted Subsidiaries received by the Company or any of its Restricted Subsidiaries from the disposition (other than to a Restricted Subsidiary), retirement or redemption of all or any portion of Restricted Investments made after the date of the indenture governing the First Priority Senior Secured Notes, less the cost of the disposition and net of taxes, *plus*

(vi) upon a redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary after the date of the indenture governing the First Priority Senior Secured Notes, the fair market value, as determined in good faith by the Company's Board of Directors, of the Company's or a Restricted Subsidiary's Investment in such Unrestricted Subsidiary immediately following such redesignation,

provided, *however*, that the sum of clauses (iv) and (v) above shall not exceed the aggregate amount of all such Investments made subsequent to the date of the Existing Second Lien Notes Indenture.

(b) The provisions of Section 4.07(a) will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving the redemption notice, as the case may be, if at the date of declaration or notice the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any Subordinated Debt of the Company or any Guarantor or of any Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock) or from any contribution to the Company's common equity stock; *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clauses (c)(ii) and (c)(iii) of Section 4.07(a), as applicable;

(3) the defeasance, redemption, repurchase or other acquisition of Subordinated Debt of the Company or any Guarantor in exchange for, or with the net cash proceeds from, an incurrence of Subordinated Debt of the Company or any Guarantor constituting Permitted Refinancing Indebtedness;

(4) the declaration and payment of any dividend by a Restricted Subsidiary of the Company to the holders of such Restricted Subsidiary's Equity Interests on a pro rata basis;

(5) the declaration and payment of dividends or distributions or the making of loans by the Company to Parent (including through Holdings) and/or Holdings in order to pay, and in an amount not to exceed, the Permitted Tax Distributions;

(6) the declaration and payment of any dividends or distributions or the making of any loans by the Company or any of its Restricted Subsidiaries to Parent (including through Holdings) to be used for, and in an amount equal to, the amount of any dividends or distributions paid or loans made by Parent to, or the repurchase of any Equity Interests of Parent from, the Principals or their Related Parties, *provided* that the aggregate amount of all such dividends, distributions and loans to Parent do not exceed $1.0 million in any calendar year;

(7) the repurchase of Equity Interests of the Company or any of its Restricted Subsidiaries deemed to occur upon the exercise of stock options, warrants (to the extent equity interests represent a portion of the exercise price of such options or warrants) or other convertible securities and cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for the Company's or such Restricted Subsidiaries' Equity Interests (including upon surrender of Equity Interests to pay the exercise price of such options, warrants or other convertible securities);

(8) the declaration and payment of any dividends or distributions or the making of any loans to Parent (including through Holdings) and/or Holdings to

permit Parent and/or Holdings to pay franchise or similar taxes and corporate costs and expenses incurred in the ordinary course of business, including legal, accounting and other general corporate overhead costs and expenses of Parent and Holdings actually incurred by Parent and/or Holdings, and customary salary, bonus and other benefits (other than payments permitted under clause (11) below) payable to, and indemnity provided on behalf of, directors, officers, employees and consultants of Parent and/or Holdings;

(9) the retirement of any shares of Disqualified Stock of the Company by conversion into, or by exchange for, shares of Disqualified Stock of the Company, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of other shares of Disqualified Stock of the Company; *provided* that the Disqualified Stock of the Company that replaces the retired shares of Disqualified Stock of the Company shall not require the direct or indirect payment of the liquidation preference earlier in time than the final stated maturity of the retired shares of Disqualified Stock of the Company;

(10) the cancellation or forgiveness of any loan between the Company and/or its Affiliates existing on the date of the Existing Second Lien Notes Indenture or any loan permitted by subparagraphs (5), (6) and (8) above and (11), (12), (13), (16), (17) and (18) below (it being understood that any forgiveness or cancellation of such loans made in connection with any Permitted Tax Distribution shall not reduce the amount of subsequent Permitted Tax Distributions);

(11) the declaration and payment of any dividends or distributions or the making of any loans to Parent (including through Holdings) for payments required to be made pursuant to the terms of future Management Incentive Contracts in an aggregate amount not to exceed $20.0 million;

(12) the declaration and payment of any dividends or distributions or the making of any loans to Parent (including through Holdings) for payments required pursuant to indemnity claims arising under, or amounts required to be paid to third parties pursuant to, the Investment Agreement and/or the Investor Rights Agreement in an aggregate amount not to exceed the amount of proceeds from any private equity issuance under the Investment Agreement and Investor Rights Agreement that were actually contributed to the Company;

(13) any payment to be made with the proceeds of the Existing Second Lien Notes as described in the Offering Circular for the 2012 Exchange Offers;

(14) the declaration and payment of any dividends or distributions or the making of any loans by the Company or any of its Restricted Subsidiaries to Holdings in order for Holdings (x) to redeem, repurchase, retire, defease or otherwise acquire (a) Holdings Notes outstanding and held by third parties other than Holdings or any of its subsidiaries as of the date of this Indenture, plus any Holdings Notes issued in the future as paid-in-kind interest on such Holdings Notes, or (b) any Holdings Permitted Refinancing Indebtedness that is issued in exchange for, or the net proceeds of which are used to refund, refinance or replace, such outstanding Holdings Notes, plus any Holdings Notes issued in the

future as paid-in-kind interest on such Holdings Notes, using Net Proceeds in excess of $125.0 million from Spectrum Asset Sales pursuant to Section 4.10 and (y) to pay expenses in the aggregate not to exceed $100,000 for (i) the redemption, repurchase, retirement, defeasance or other acquisition in clause (x) above and (ii) the incurrence if applicable of any Holdings Permitted Refinancing Indebtedness;

(15) (a) the redemption, repurchase, retirement, defeasance or other acquisition of the Old Senior Subordinated Notes for cash or in exchange for Notes, in each case in accordance with the Old Senior Subordinated Notes Exchange Offer and Solicitation; and (b) the redemption, repurchase, retirement, defeasance or other acquisition of the Existing Second Lien Notes in exchange for Notes in accordance with the 2014 Second Lien Notes Exchange Offer and Solicitation.

(16) other Restricted Payments since the date of the Existing Second Lien Notes Indenture not to exceed $10.0 million; provided that this clause (16) shall only be available to the Company and its Restricted Subsidiaries through and including the consummation of the 2012 Exchange Offers and thereafter this clause (16) will no longer be available;

(17) the declaration and payment of any dividends or distributions or the making of any loans by the Company or any of its Restricted Subsidiaries to Holdings in order for Holdings to, in each case only to the extent such dividends, distributions or loans are actually used to, (a) make scheduled cash interest payments on the Discount Notes provided that, in the case of any Discount Notes held by Holdings, the amount of such payments, if any, that exceed an amount equal to the amount of amortization payments due on the Holdings Notes and Parent Entity Allowable Indebtedness (x) within five Business Days after the 2012 Exchange Offers have been consummated (or in the case of Parent Entity Allowable Indebtedness, within five Business Days after such Parent Entity Allowable Indebtedness has been issued) and (y) in April 2013 shall be contributed to the Company by Holdings within five (5) Business Days after each such amortization payment is made (provided that, Holdings shall be permitted to retain cash of up to 3.49% of $5.0 million, or $174,500, until Parent Entity Allowable Indebtedness of $5.0 million principal amount has been issued), and (b) redeem, repurchase, satisfy and discharge, defease, retire for value or otherwise acquire (i) the Discount Notes held by Holdings, but only in an amount equal to the amount of interest payments due on the Holdings Notes or Parent Entity Allowable Indebtedness in April 2016, October 2016 and April 2017 and (ii) no more than 10% of the outstanding principal amount of the Discount Notes outstanding immediately prior to the closing of the 2012 Exchange Offers (excluding Discount Notes held by Holdings or its Affiliates or any directors, officers, stockholders and other Affiliates of the Company or Holdings) and pay any related interest, premium, fees, costs, expenses and other amounts owing thereunder with respect thereto, and in the case of each of (a) and (b)(i) above (other than the payment made within five Business Days after the 2012 Exchange Offers or the $174,500 permitted to be retained by Holdings) such payment to be made to Holdings not more than twelve (12) Business Days prior to the date each such payment is due;

(18) the redemption, repurchase, retirement, defeasance or other acquisition of (x) the Old Senior Subordinated Notes in exchange for, or out of the net cash proceeds of the substantially concurrent sale of, Existing Second Lien Notes and the Warrants in the 2012 Exchange Offers and (y) the Discount Notes in exchange for, or out of the net cash proceeds of the substantially concurrent sale of, Existing Second Lien Notes in the 2012 Exchange Offers; *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, defeasance or other acquisition shall be excluded from clauses (c)(ii) and (c)(iii) of Section 4.07(a), as applicable;

(19) the redemption, repurchase, retirement, defeasance or other acquisition of Old Senior Subordinated Notes or Discount Notes in exchange for, or out of the net cash proceeds of the substantially concurrent sale of, Permitted New Second Priority Debt plus the payment of any related interest, premium, fees, costs, expenses and other amounts owing thereunder with respect thereto; and

(20) the redemption, repurchase, retirement, defeasance or other acquisition of up to $8.45 million in aggregate principal amount of Old Senior Subordinated Notes, and the amount of all expenses, accrued and unpaid interest and premiums incurred in connection therewith, provided that the Old Senior Subordinated Notes may not be redeemed, repurchased, retired, defeased or otherwise acquired at a price in excess of the redemption prices permitted in Section 3.07 of the Old Senior Subordinated Notes Indenture as in effect on the date of this Indenture plus accrued and unpaid interest and expenses.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Company's Board of Directors whose resolution with respect thereto shall be delivered to the Trustee.

Section 4.08. Dividend and Other Payment Restrictions Affecting Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(b) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(c) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements governing Existing Indebtedness, the First Priority Senior Secured Notes, the Notes, the Discount Notes, the Holdings Notes, the Existing Second Lien Notes and

Credit Facilities, other agreements as in effect on the date of the Existing Second Lien Notes Indenture and any future agreements governing Parent Entity Allowable Indebtedness, Permitted New Second Priority Debt and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are not more restrictive, taken as a whole, with respect to such encumbrances or restrictions, than those contained in those agreements on the date of the Existing Second Lien Notes Indenture or, if entered into subsequent to the date of the Existing Second Lien Notes Indenture, on the date that such agreement was entered into originally;

(ii) agreements governing First Priority Lien Debt permitted to be incurred under this Indenture to the extent not permitted under another clause of this paragraph; *provided,* that provisions relating to such encumbrances or restrictions are not materially more restrictive, taken as a whole, than those contained in the Credit Agreement on the date of the Existing Second Lien Notes Indenture;

(iii) [Reserved];

(iv) applicable law, rule, regulation or order;

(v) any instrument of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(vi) customary non-assignment provisions in leases and other agreements entered into in the ordinary course of business;

(vii) purchase money obligations (including Capital Lease Obligations) for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (c) of the preceding paragraph;

(viii) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(ix) Liens securing Indebtedness or other obligations otherwise permitted to be incurred under the provisions of Section 4.12 that limit the right of the debtor to dispose of the assets subject to such Liens;

(x) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(xi) restrictions on cash or other deposits or net worth imposed by customers under contracts or net worth provisions contained in leases and other agreements entered into in the ordinary course of business;

(xii) customary restrictions with respect to a Restricted Subsidiary pursuant to an agreement entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition; *provided*, that such restrictions apply solely to the Capital Stock or assets of the Restricted Subsidiary that is being sold; and

(xiii) any agreement for the sale or other disposition of assets, including the sale or other disposition of a Restricted Subsidiary, that restricts the disposition of such assets or distributions by that Restricted Subsidiary pending the sale or other disposition of such assets.

Section 4.09. Incurrence of Indebtedness and Issuance of Preferred Stock.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that the Company or any Guarantor may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock or preferred stock if the Company's Leverage Ratio at the time of incurrence of such Indebtedness or the issuance of such Disqualified Stock or such preferred stock, as the case may be, after giving pro forma effect to such incurrence or issuance as of such date and to the use of proceeds therefrom, as if the same had occurred at the beginning of the most recently ended four fiscal quarter period of the Company for which internal financial statements are available, would have been no greater than 7.0 to 1.0.

The provisions of the first paragraph of this Section 4.09 will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "*Permitted Debt*"):

(i) the incurrence by the Company or any Restricted Subsidiary of Indebtedness and letters of credit under one or more Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (i) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Subsidiaries thereunder) not to exceed (a)(i) prior to the closing of a Qualifying IPO, $50.0 million and (ii) from and after the closing of a Qualifying IPO, $100.0 million, *less* (b) the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any of its Restricted Subsidiaries after the date of the Existing Second Lien Notes Indenture to repay, pursuant to Section 4.10, any term Indebtedness under a Credit Facility or to repay any revolving credit Indebtedness under a Credit Facility and, with respect to any such revolving credit Indebtedness, effect a corresponding commitment reduction thereunder, provided, however, that if Net Proceeds of Asset Sales are applied by the Company or any of its Restricted Subsidiaries to repay any revolving credit Indebtedness, the Company and its Restricted Subsidiaries shall be permitted to maintain $25.0 million or less of aggregate revolving commitments, without effecting any corresponding commitment reduction, for any such revolving credit Indebtedness, even if the Company or any of its Restricted Subsidiaries repay such Indebtedness below $25.0 million;

(ii) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness, including the Existing Second Lien Notes;

(iii) the incurrence by the Company or any of the Guarantors of Notes issued in the New Notes Private Placement, the 2014 Second Lien Notes Exchange Offer and Solicitation (including, for the avoidance of doubt, any Notes issued as payment for the structuring fee and consent payment), and the Old Senior Subordinated Notes Exchange Offer and Solicitation, and

any PIK Notes issued from time to time to pay interest in kind on all outstanding Notes in accordance with the terms of this Indenture and, in each case, the related Subsidiary Guarantees;

(iv) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary (whether through the direct purchase of assets or through the acquisition of at least a majority of the Voting Stock of any Person owning such assets), in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (iv), not to exceed at any time outstanding the greater of (a) $10.0 million or (b) 2.0% of Total Assets;

(v) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be incurred under the first paragraph of this Section 4.09 or any of clauses (ii), (iii), (iv), (v), (viii), (ix), (xi),(xiv) or (xix) of this paragraph;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness or preferred stock between or among the Company and any of its Restricted Subsidiaries; *provided, however*, that (a) if the Company or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be (i) unsecured and (ii) if the obligee is neither the Company nor a Guarantor, expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes (in the case of the Company) or the related Subsidiary Guarantee (in the case of a Guarantor), and (b) any subsequent issuance; event or transfer of Equity Interests that results in any such Indebtedness or preferred stock being held by a Person other than the Company or a Restricted Subsidiary of the Company and any sale or other transfer of any such Indebtedness or preferred stock to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vi);

(vii) Indebtedness under Hedging Obligations entered into for *bona fide* hedging purposes of the Company or any Restricted Subsidiary not for the purpose of speculation;

(viii) guarantees provided pursuant to Section 4.17 and the guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09;

(ix) Indebtedness incurred by the Company or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including, without limitation, letters of credit in respect to workers' compensation claims or self-insurance, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; *provided*, *however*, that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(x) Obligations in respect of performance and surety bonds and completion guarantees provided by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(xi) Acquisition Debt of the Company or any Restricted Subsidiary if (w) such Acquisition Debt is incurred within 365 days after the date on which the related definitive acquisition agreement was entered into by the Company or such Restricted Subsidiary, (x) the aggregate principal amount of such Acquisition Debt is no greater than the aggregate principal amount of Acquisition Debt set forth in a notice from the Company to the Trustee (an "*Incurrence Notice*") within 30 days after the date on which the related definitive acquisition agreement was entered into by the Company or such Restricted Subsidiary, which notice shall be executed on the Company's behalf by an executive officer of the Company in such capacity and shall describe in reasonable detail the acquisition that such Acquisition Debt will be incurred to finance, (y) after giving pro forma effect to the acquisition described in such Incurrence Notice, the Company or such Restricted Subsidiary could have incurred such Acquisition Debt under this Indenture, including compliance with the first paragraph of this Section 4.09, as of the date upon which the Company delivers such Incurrence Notice to the Trustee and (z) such Acquisition Debt is utilized solely to finance the acquisition described in such Incurrence Notice and any other pending acquisitions previously described in one or more Incurrence Notices and which satisfy the foregoing provisions (including to repay or refinance indebtedness or other obligations incurred in connection with such acquisition and to pay related fees and expenses); *provided, however,* that any Incurrence Notice given hereunder may be withdrawn or the amount of Acquisition Debt referred to therein may be reduced at any time prior to the incurrence of such Acquisition Debt;

(xii) the incurrence by the Company's Unrestricted Subsidiaries of Non-Recourse Debt, *provided*, *however*, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event will be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this clause (xii);

(xiii) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business and such Indebtedness is extinguished within five Business Days after notice thereof;

(xiv) the incurrence by the Company of Indebtedness in an aggregate principal amount not greater than two times the aggregate amount of cash contributions (other than from the issuance of Disqualified Stock of the Company) made to the common equity capital of the Company after the date of the Existing Second Lien Notes Indenture (whether through the issuance or sale of Capital Stock or through capital contributions from Parent or Holdings), *provided*, that (a) such Indebtedness is incurred within 180 days after the making of such cash contribution and is so designated as contribution indebtedness pursuant to an Officer's Certificate on the incurrence date thereof, and (b) any equity contribution that forms the basis for an incurrence of Indebtedness under this paragraph (xiv) will be disregarded for purposes of all calculations called for by Section 4.07 and will not be considered to be an Equity Offering for purposes of Section 3.07;

(xv) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (xv), not to exceed $15.0 million;

(xvi) agreements of the Company or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar customary obligations, in each case

incurred or assumed in connection with the acquisition or disposition of any business or assets permitted by this Indenture;

(xvii) the incurrence by the Company of Indebtedness under the LBI Media Intercompany Note; *provided* that if Parent or Holdings, as the case may be, irrevocably forgives or cancels all or any portion of such LBI Media Intercompany Note, the amount thereof so forgiven or cancelled shall at such time be treated as a capital contribution pursuant to clause (c)(iii) of Section 4.07(a);

(xviii) [Reserved]; and

(xix) the incurrence by the Company and the Guarantors of any Permitted New Second Priority Debt.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xix) above, or is entitled to be incurred pursuant to the first paragraph of this Section 4.09, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, in any manner that complies with this Section 4.09; *provided*, that, in no event shall the Notes, the Existing Second Lien Notes or Permitted New Second Priority Debt be classified as Indebtedness entitled to be incurred pursuant to the first paragraph of this Section 4.09. Indebtedness under the Credit Facilities outstanding on the date on which the Existing Second Lien Notes were first issued and authenticated under the Existing Second Lien Notes Indenture will initially be deemed to have been incurred on such date in reliance on the exception provided by clause (i) of the definition of Permitted Debt (but may later be reclassified in accordance with the following sentence). In addition, the Company may, at any time, change the classification of an item of Indebtedness, Disqualified Stock or preferred stock, or any portion thereof, to any other clause of Permitted Debt or to the first paragraph of this Section 4.09, *provided* that the Company or a Restricted Subsidiary would be permitted to incur the item of Indebtedness, Disqualified Stock or preferred stock, or portion thereof, under such other clause or the first paragraph of this Section 4.09, as the case may be, at the time of reclassification. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock or preferred stock for purposes of this Section 4.09; *provided*, in each such case, that the amount of any such accrual, accretion or payment shall be included in Consolidated Interest Expense of the Company to the extent (and only to the extent) required by the definition of the term "Consolidated Interest Expense."

The Company will not incur, and will not permit any Guarantor to incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Subsidiary Guarantee at least to the same extent; provided, however, that (i) the foregoing limitation in this sentence shall not apply to any Indebtedness that is incurred to refinance any First Priority Senior Secured Notes that are outstanding as of the date of this Indenture and any accrued and unpaid interest and premium, if any, thereon and (ii) no such Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

Section 4.10. Asset Sales

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(ii) the fair market value is determined in good faith by the Company's Board of Directors and evidenced by a resolution of the Board of Directors or by a Responsible Officer of the Company set forth in an Officer's Certificate, in each case, delivered to the Trustee;

(iii) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents except to the extent the Company is undertaking a Permitted Asset Swap. For purposes of this provision and subparagraph (z) below, each of the following shall be deemed to be cash:

(A) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(B) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee converted by the Company or such Restricted Subsidiary within 180 days into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion; and

(iv) if such Asset Sale involves the transfer of Collateral:

(A) such Asset Sale complies with the applicable provisions of the Security Documents; and

(B) to the extent required by the Security Documents, all consideration (including Cash Equivalents) received in such Asset Sale shall be expressly made subject to Liens under the Security Documents.

The 75% limitation referred to in clause (iii) above will not apply to any Asset Sale in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the preceding provision, is equal to or greater than what the after tax proceeds would have been had such Asset Sale complied with the aforementioned 75% limitation.

Notwithstanding the foregoing, the Company or any Restricted Subsidiary will be permitted to consummate an Asset Sale without complying with the foregoing if:

(x) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or other property sold, issued or otherwise disposed of;

(y) the fair market value is determined in good faith by the Company's Board of Directors and evidenced by a resolution of the Board of Directors or by a Responsible Officer of the Company set forth in an Officer's Certificate, in each case, delivered to the Trustee; and

(z) at least 75% of the consideration for such Asset Sale constitutes a controlling interest in a Permitted Business, assets used or useful in a Permitted Business and/or cash and Cash Equivalents;

provided, *however*, that any cash or Cash Equivalents (other than any amount deemed cash under clause (iii)(A) of the first paragraph of this Section 4.10) received by the Company or such Restricted Subsidiary in connection with any Asset Sale permitted to be consummated under this paragraph shall constitute Net Proceeds subject to the provisions of the next paragraph.

(b) For Asset Sales by the Company or any of its Restricted Subsidiaries, the Company or such Restricted Subsidiary shall apply the Net Proceeds from such Asset Sales as follows:

(i) Within 365 days after the receipt of any Restricted Asset Sale Proceeds (as defined below) from an Asset Sale, the Company or such Restricted Subsidiary shall apply those Restricted Asset Sale Proceeds at its option:

(A) to repay Senior Debt and if such Senior Debt is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; provided, however, that if Restricted Asset Sale Proceeds are used to repay Senior Debt that is revolving credit Indebtedness, the Company and its Restricted Subsidiaries shall be permitted to maintain $25.0 million or less of commitments, without effecting any corresponding commitment reductions, for any such revolving credit Indebtedness, even if the Company or any of its Restricted Subsidiaries repay such Indebtedness below $25.0 million;

(B) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, a Permitted Business if, after giving effect to any such acquisition of Voting Stock, the Permitted Business is or becomes a Restricted Subsidiary of or is merged with or into the Company or a Restricted Subsidiary;

(C) to make capital expenditures that are used or useful in a Permitted Business; or

(D) to acquire other assets that are used or useful in a Permitted Business;

provided, that in the case of clauses (B), (C) and (D) above, a binding commitment shall be treated as a permitted application of the Restricted Asset Sale Proceeds as of the date of such commitment so long as the Company or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Restricted Asset Sale Proceeds will be applied to satisfy such commitment prior to the later of (a) 180 days after the date of such commitment or (b) 365 days after the date of such Asset Sale and if such Restricted Asset Sale Proceeds are not so applied within that time frame, such Restricted Asset Sale Proceeds shall constitute "Excess Proceeds" (as defined below) and be applied as provided in clause (ii) below. Pending the final application of any Restricted Asset Sale Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Restricted Asset Sale Proceeds in any manner that is not prohibited by this Indenture. For the avoidance of doubt, the Company shall not make any Restricted Payment to Holdings, directly or indirectly (including through the temporary repayment of any revolving credit facility), with Restricted Asset Sale Proceeds.

(ii) With respect to Net Proceeds from such Asset Sales (other than Net Proceeds from the sale of the Sawyer Property and the sale of KTCY-FM, which shall not be subject to this clause (ii) but shall be subject to clause (i) above regarding Restricted Asset Sale Proceeds) that are in excess of, or are, with respect to Net Proceeds from Spectrum Asset Sales, in addition to, the Restricted Asset Sale Proceeds (the "*Excess Proceeds*"), within 60 days after the receipt of any such Excess Proceeds, the Company or such Restricted Subsidiary shall apply those Excess Proceeds at its option:

(A) to repay Senior Debt and if such Senior Debt is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; provided, however, that if Net Proceeds are used to repay Senior Debt that is revolving credit Indebtedness, the Company and its Restricted Subsidiaries shall be permitted to maintain $25.0 million or less of commitments, without effecting any corresponding commitment reductions, for any such revolving credit Indebtedness, even if the Company or any of its Restricted Subsidiaries repay such Indebtedness below $25.0 million;

(B) to commence an Asset Sale Offer as provided in the following paragraph; or

(C) to repurchase or redeem (a) Holdings Notes outstanding and held by third parties other than Holdings or any of its Subsidiaries as of the date of this Indenture, plus any Holdings Notes issued in the future as paid-in-kind interest on such notes, or (b) any Holdings Permitted Refinancing Indebtedness that is issued in exchange for, or the net proceeds of which are used to refund, refinance or replace, such outstanding Holdings Notes, plus any Holdings Notes issued in the future as paid-in-kind interest on such Holdings Notes, in each case of clauses (a) and (b) at a purchase price not to exceed 100% of the principal amount of the Holdings Notes or Holdings Permitted Refinancing Indebtedness, plus expenses incurred in connection therewith but not to exceed $100,000 in the aggregate subject to the limitations contained in Section 4.07(b)(14) and accrued and unpaid interest, but only, with respect to this clause (C), with Net Proceeds from Spectrum Asset Sale in excess of $125.0 million (for avoidance of doubt, Net Proceeds from Spectrum Asset Sales cannot be Restricted Asset Sale Proceeds and all Net Proceeds from Spectrum Asset Sales must be applied in accordance with clause (A), (B) and/or if applicable, (C) of this clause (ii)).

(c) If the Company makes an Asset Sale Offer with Excess Proceeds, the Company will make an Asset Sale Offer to all holders of Notes and all holders of Parity Lien Debt containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes (including any Additional Notes and any PIK Notes) and such Parity Lien Debt that may be purchased out of the Excess Proceeds. The offer price for the Notes in such Asset Sale Offer will be (expressed as percentages of principal amount) as set forth below, plus accrued and unpaid interest, if any, on the Notes purchased, to the applicable date of the purchase and will be payable in cash:

Year	Percentage
If purchased prior to November 15, 2017	107.000%
If purchased during the twelve-month period beginning on November 15 of the years indicated below:	
2017	105.500%
2018	102.750%

Year	Percentage
2019 and thereafter	100.000%

If the date of purchase is on or after an interest record date and on or before the related interest payment date, accrued and unpaid interest, if any, will be paid to the holder in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders who tender pursuant to the Asset Sale Offer. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and Parity Lien Debt tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select such tendered Notes and such Parity Lien Debt to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer using Excess Proceeds, the amount of Excess Proceeds shall be reset at zero.

(d) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such conflict.

Section 4.11. Transactions with Affiliates.

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "*Affiliate Transaction*"), unless:

(a) the Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(b) the Company delivers to the Trustee:

(i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, a resolution of the Company's Board of Directors set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 4.11 and that such Affiliate Transaction has been approved by a majority of the members of the Company's Board of Directors, which approval, if the Company's Board of Directors includes disinterested members at such time, shall include the approval of at least one disinterested member; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $20.0 million, an opinion as to the fairness to the Company of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(a) any employment and consulting agreement or other compensation arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and the payment of compensation and the reimbursement of expenses pursuant thereto;

(b) transactions between or among the Company and/or any of its Restricted Subsidiaries;

(c) transactions with a Person that is an Affiliate of the Company solely because the Company owns an Equity Interest in, or controls, such Person;

(d) payment of reasonable fees and expenses to directors;

(e) indemnification of officers and directors of the Company or any Restricted Subsidiary pursuant to reasonable and customary indemnification provisions;

(f) sales of Equity Interests (other than Disqualified Stock) to Affiliates of the Company;

(g) Restricted Payments that are permitted by the provisions of Section 4.07, and Permitted Investments;

(h) transactions under any contract or agreement of the Company or any Restricted Subsidiary in effect on the date of the Existing Second Lien Notes Indenture, in each case, as the same may be amended, modified or replaced from time to time so long as any such amendment, modification or replacement is not materially less favorable to the Company and its Restricted Subsidiaries than the contract or agreement as in effect on the date of the Existing Second Lien Notes Indenture;

(i) loans or advances to employees who are Affiliates in the ordinary course of business not to exceed $2.5 million in the aggregate at any one time outstanding;

(j) the existence of, or the performance by Parent, the Company or any of the Restricted Subsidiaries of obligations (including obligations resulting from Parent causing the Company or any of its Restricted Subsidiaries to take certain actions as required thereby) under the terms of, the Investor Rights Agreement as in effect on date of the Existing Second Lien Notes Indenture and as subsequently amended and any related agreements which it may enter into thereafter; *provided, however*, that the existence of, or the performance by Parent, the Company or any of the Restricted Subsidiaries of obligations (including obligations resulting from Parent causing the Company or any of its Restricted Subsidiaries to take certain actions as required thereby) under any future amendment to any such existing agreement or under any similar agreement entered into after the date of the Existing Second Lien Notes Indenture shall only be permitted by this clause (j) to the extent that the terms of any such amendment or related agreement are not otherwise disadvantageous in any material respect to the Holders, when taken as a whole;

(k) services provided to any Unrestricted Subsidiary in the ordinary course of business, which the Company's Board of Directors has determined, pursuant to a resolution thereof, are provided on terms at least as favorable to the Company and its Restricted Subsidiaries as those that would have been obtained in a comparable transaction with an unrelated Person;

(l) any transactions permitted under Section 5.01;

(m) tax sharing agreements, or payments pursuant thereto, between the Company or one or more Subsidiaries, on the one hand, and any other Person with which the Company or such Subsidiaries are required or permitted to file a consolidated tax return or with which the Company or such Subsidiaries are part of a consolidated group for tax purposes to be used by such Person to pay taxes, and which

payments by the Company and the Restricted Subsidiaries are not in excess of the Permitted Tax Distributions;

(n) any merger of the Company and any direct or indirect parent company of the Company; *provided, however*, that such merger is otherwise in compliance with the terms of this Indenture, including Section 5.01;

(o) L.D.L. Enterprises, Inc.'s use of advertising time on radio and television stations of the Company and its Subsidiaries as described in "Certain Relationships and Related Transactions" in the Offering Circular for the 2012 Exchange Offers; and

(p) the incurrence by the Company of Indebtedness under the LBI Media Intercompany Note and payments of principal, interest and other amounts owing thereunder.

Section 4.12. Liens.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired, except Permitted Liens.

Section 4.13. Corporate Existence.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(i) its corporate existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Restricted Subsidiary; and

(ii) the rights (charter and statutory), licenses and franchises of the Company and its Restricted Subsidiaries; *provided, however,* that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Restricted Subsidiaries, if the Company's Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole.

Section 4.14. Business Activities.

Until the consummation of a Public Equity Offering, the Company will not, and will not permit any Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Subsidiaries taken as a whole.

Section 4.15. Offer to Repurchase Upon Change of Control.

(a) Upon the occurrence of a Change of Control, the Company will make an offer (a "*Change of Control Offer*") to each Holder to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000 in excess thereof (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof)) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, on the Notes repurchased, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date (the "*Change of Control Payment*"); *provided*, that the Company will not be obligated to repurchase Notes in the event that it exercises its right to redeem all of the Notes as

described in Section 3.07 hereof, unless and until there is a default in payment of the applicable redemption price. Within 30 days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and stating:

(i) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment;

(ii) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "*Change of Control Payment Date*");

(iii) that any Note not tendered will continue to accrue interest;

(iv) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(v) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(vi) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased; and

(vii) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to $1,000 in principal amount or an integral multiple of $1,000 in excess thereof.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Sections 3.09 or 4.15 of this Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under Section 3.09 or this Section 4.15 by virtue of such conflict.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

The Paying Agent will promptly mail or wire transfer to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of $1,000 or an integral multiple of $1,000 in excess thereof (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof). If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, accrued and unpaid interest, if any, will be paid to the Holder in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender pursuant to the Change of Control Offer.

(c) Prior to repurchasing any Notes pursuant to the provisions of this Section 4.15, the Company will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all the agreements governing outstanding Senior Debt to permit the repurchase of the Notes required by this Section 4.15. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(d) Notwithstanding anything to the contrary in this Section 4.15, the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.15 and Section 3.09 hereof and all other provisions of this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer. The Company will not be obligated to make a Change of Control Offer if a notice of redemption has been given pursuant to the terms of this Indenture as described in Section 3.07 unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary herein, a Change of Control Offer may be commenced by the Company or a third party in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

Section 4.16. [Reserved.]

Section 4.17. Additional Subsidiary Guarantees.

If the Company or any of its Subsidiaries acquires or creates another Domestic Subsidiary after the date of this Indenture, excluding all Subsidiaries that have been properly designated as Unrestricted Subsidiaries in accordance with this Indenture for so long as they continue to constitute Unrestricted Subsidiaries, then that newly acquired or created Domestic Subsidiary will become a Guarantor and execute a supplemental indenture to this Indenture, the form of which is attached as Exhibit E hereto, and each applicable Security Document within fifteen Business Days of the date on which it was acquired or created. Notwithstanding the foregoing, if any Restricted Subsidiary of the Company guarantees any Indebtedness the primary obligor of which is the Company or any Guarantor, such Restricted Subsidiary will become a Guarantor, execute a supplemental indenture to this Indenture, and deliver an Opinion of Counsel satisfactory to the Trustee and, for each such Guarantor (other than Empire Burbank), will execute each applicable Security Document.

Section 4.18. [Reserved.]

Section 4.19. Designation of Restricted and Unrestricted Subsidiaries

The Company's Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07(a) or one or more clauses of the definition of "Permitted Investments," as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Company's Board of Directors may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if the re-designation would not cause a Default.

Section 4.20. No Amendment of Subordination Provisions.

(a) Without the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, the Company will not amend, modify or alter the indenture governing the Old Senior Subordinated Notes of the Company in any way to:

(i) increase the rate of or accelerate or shorten the time for payment of interest on any Old Senior Subordinated Notes;

(ii) increase the principal of, shorten the final maturity date of or shorten the Weighted Average Life to Maturity of any Old Senior Subordinated Notes;

(iii) alter the redemption provisions in a manner that is adverse to the Holders of the Notes or increase the price or terms at which the Company is required to offer to purchase any Old Senior Subordinated Notes; or

(iv) amend the provisions of Article 10 of the indenture governing the Old Senior Subordinated Notes.

Section 4.21. Restrictions on Empire Burbank.

Empire Burbank will not own any assets other than the Burbank Office Property and any additions to such property, its interests under the Empire Burbank Lease and the Empire Burbank Sublease and certain production and related equipment for use by third parties in connection with the subleasing of such sound stages and studios and additional assets necessary or advisable for the conduct of its business in the ordinary course. Notwithstanding anything contained herein to the contrary, Empire Burbank will not incur any new secured Indebtedness, increase the amount of its secured Indebtedness existing as of the date of the Indenture or incur any unsecured Indebtedness outside of the ordinary course of business, except, in each case, for providing guarantees on First Priority Lien Debt, the Notes, the Existing Second Lien Notes, Permitted New Second Priority Debt and the Old Senior Subordinated Notes. To the extent that the Company or any of its Restricted Subsidiaries is the fee owner of the Burbank Office Property after the repayment in full of the Indebtedness owed by Empire Burbank that is secured by the mortgage in effect as of the date of the Existing Second Lien Notes Indenture on the Burbank Office Property, (I) within thirty (30) days after the repayment of such Indebtedness, the Company shall cause Empire Burbank to (a) execute each applicable Security Document and (b) deliver to the Trustee (i) a Mortgage for the Burbank Office Property, (ii) to the extent within the possession or

control of the Company or any Guarantor as of the date of the Indenture, (A) surveys, (B) phase one environmental reports, (C) appraisals and (D) other material due diligence reasonably requested, in each case related to the Burbank Office Property, and (iii) a customary opinion of local counsel relating to the enforceability of the Mortgage covering the Burbank Office Property; and (II) within forty-five (45) days after such repayment or such later date as the First Priority Lien Collateral Trustee may agree in its reasonable discretion to have such delivered to it (for the benefit of the secured parties under the Credit Agreement and the holders of First Priority Senior Secured Notes), the Company shall cause Empire Burbank to deliver to the Trustee a mortgagee's title insurance policy for the Burbank Office Property reasonably acceptable to the First Priority Lien Collateral Trustee (it being understood that such title policy shall not be required to include a survey endorsement).

Section 4.22. Advances to Subsidiaries.

(a) All advances to Restricted Subsidiaries (that are not otherwise Guarantors) made by the Company (or any Guarantor) after the date of the Existing Second Lien Notes Indenture will be, or will have been, as applicable, evidenced by intercompany notes in favor of the Company or the applicable Guarantor. These intercompany notes will be pledged pursuant to the Security Documents as Collateral to secure the First Priority Lien Obligations and Parity Lien Obligations. Each intercompany note will be payable upon demand and will bear interest at the same rate as the First Priority Senior Secured Notes and will be subordinated in right of payment to all existing Senior Debt of the non-Guarantor Restricted Subsidiary to which the loan is made. "Senior Debt" of Subsidiaries for the purposes of the intercompany notes will be defined as all Indebtedness of the non-Guarantor Restricted Subsidiaries that is not specifically by its terms made *pari passu* with or junior to the intercompany notes. A form of intercompany note is attached to this Indenture as Exhibit G hereto. Repayments of principal with respect to any intercompany notes will be required to be pledged pursuant to the Security Documents as Collateral to secure the Notes until such amounts are advanced to a Subsidiary in accordance with this Indenture.

(b) The Company will not permit any Restricted Subsidiary (that is not otherwise a Guarantor) in respect of which the Company is a creditor by virtue of an intercompany note to incur any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of such non-Guarantor Restricted Subsidiary and senior in any respect in right of payment to any intercompany note.

ARTICLE 5.
SUCCESSORS

Section 5.01. Merger, Consolidation, or Sale of Assets.

The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(i) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation, limited liability company or partnership organized or existing under the laws of the United States, any state of the United States or the District of Columbia (such other Person being herein called the "*Successor Person*");

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Notes, this Indenture and the Security Documents pursuant to agreements reasonably satisfactory to the Trustee;

(iii) immediately after such transaction, no Default or Event of Default exists;

(iv) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made (a) would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Leverage Ratio test set forth in the first paragraph of Section 4.09 or (b) would have a lower Leverage Ratio immediately after the transaction, after giving pro forma effect to the transaction as if the transaction had occurred at the beginning of the applicable four quarter period, than the Company's Leverage Ratio immediately prior to the transaction; and

(v) if the Successor Person is not a corporation, a Restricted Subsidiary of the Successor Person that is a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, shall be a co-obligor of the Notes pursuant to a supplemental indenture in a form reasonably acceptable to the Trustee.

In addition, the Company may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person. This Section 5.01 will not prohibit (i) any sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Restricted Subsidiaries, (ii) any Restricted Subsidiary from consolidating with, merging into or transferring all or part of its assets to the Company or any Restricted Subsidiary or (iii) the Company from merging with an Affiliate incorporated solely for the purpose of reincorporating the Company in another jurisdiction to realize tax or other benefits.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation, combination or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in a transaction that is subject to, and that complies with Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture and the Security Documents referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture and the Security Documents with the same effect as if such successor Person had been named as the Company herein; *provided, however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale, assignment, transfer, conveyance or other disposition of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6.
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

An "*Event of Default*" occurs if:

(a) the Company defaults in the payment when due of interest on the Notes and such default continues for a period of 30 days;

(b) the Company defaults in the payment when due of principal of, and premium, if any, on the Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise;

(c) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Section 4.15 or 5.01 hereof;

(d) the Company or any of its Restricted Subsidiaries fails to comply with the provisions of Section 4.07, 4.09, 4.10 or 10.05 hereof for 30 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding;

(e) the Company or any of its Restricted Subsidiaries fails to observe or perform any other covenant or other agreement in this Indenture, the Security Documents or the Notes for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding;

(f) a default occurs under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of the Restricted Subsidiaries (or the payment of which is guaranteed by the Company or any of the Restricted Subsidiaries), other than Indebtedness owing to the Company or its Restricted Subsidiaries, whether such Indebtedness or Guarantee now exists, or is created after the date hereof, if that default:

(i) is caused by a failure to pay principal of or interest on such Indebtedness when due (giving effect to any applicable grace periods and any extensions thereof) (a "*Payment Default*"); or

(ii) results in the acceleration of such Indebtedness prior to its express maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been and continues to be a Payment Default or the maturity of which has been and continues to be so accelerated, aggregates $10.0 million or more;

(g) the Company or any of its Restricted Subsidiaries fails to pay final judgments aggregating in excess of $10.0 million (not covered by insurance), which judgments are not paid, vacated, discharged, bonded or stayed for a period of 60 days;

(h) (i) any Security Document is held in any judicial proceeding to be unenforceable or invalid in any material respect or ceases for any reason to be in full force and effect in any material respect, other than in accordance with the terms of the relevant Security Documents and except solely as a result of any action taken or not taken by the Collateral Agent acting in its capacity as collateral agent that

was required to be taken or not taken by the Collateral Agent acting in its capacity as collateral agent pursuant to the Security Documents, (ii) any security interest created by any Security Document ceases to be in full force and effect (except as permitted by the terms of this Indenture or the Security Documents and except solely as a result of any action taken or not taken by the Collateral Agent that was required to be taken or not taken by the Collateral Agent pursuant to the Security Documents) with respect to Collateral having a fair market value, as determined in good faith by the Company's Board of Directors, in excess of $10.0 million, and such default continues for a period of 60 days after the Company receives notice thereof from the Trustee or from the Holders of at least 25% in principal amount of the Notes outstanding specifying such default or (iii) the Company or any of its Restricted Subsidiaries, or any Person acting on behalf of any of them, asserts in writing that any Collateral having a fair market value, as determined in good faith by the Company's Board of Directors, in excess of $10.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of this Indenture or the Security Documents);

(i) except as permitted by this Indenture, any Subsidiary Guarantee of a Significant Subsidiary is held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor which is a Significant Subsidiary, or any Person acting on behalf of any Guarantor which is a Significant Subsidiary, shall deny or disaffirm its obligations under its Subsidiary Guarantee; *provided*, *however*, that an Event of Default will also be deemed to occur with respect to Subsidiary Guarantors that are not Significant Subsidiaries ("*Insignificant Subsidiaries*") if the Subsidiary Guarantees of such Insignificant Subsidiaries are held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or such Insignificant Subsidiaries deny or disaffirm their obligations under their Subsidiary Guarantees (other than in accordance with the terms of such Subsidiary Guarantee), if when aggregated and taken as a whole the Insignificant Subsidiaries subject to this clause (i) would meet the definition of a Significant Subsidiary;

(j) the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors,

(v) generally is not paying its debts as they become due;

(k) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a custodian of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or

substantially all of the property of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any of its Significant Subsidiaries or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(l) (i) Holdings and the trustee under the Discount Notes Indenture shall fail to have executed and delivered the Discount Notes Forbearance Agreement not later than September 15, 2013; (ii) Holdings shall fail to have delivered a copy thereof to the Trustee under the Indenture within five (5) Business Days after the execution thereof; (iii) the Discount Notes Forbearance Agreement shall fail to be in full force and effect, or Holdings shall fail to be in compliance therewith, at all times from and after September 15, 2013 until the indefeasible payment in full of all Obligations under the Notes; or (iv) the Discount Notes Forbearance Agreement shall be amended, restated, modified or supplemented without the prior written consent of the holders of at least a majority in principal amount of the Notes.

Section 6.02. Acceleration.

If any Event of Default (other than an Event of Default specified in clause (j) or (k) of Section 6.01 hereof with respect to the Company, any Significant Subsidiary or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (j) or (k) of Section 6.01 hereof occurs with respect to the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes shall be due and payable immediately without further action or notice. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

In the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in clause (f) of Section 6.01, the declaration of acceleration of the Notes shall be automatically annulled if (a) the holders of any Indebtedness described in clause (f) of Section 6.01 have rescinded or waived the declaration of acceleration in respect of the Indebtedness, (b) the Indebtedness that is the basis of such Event of Default has been discharged or (c) the default that is the basis of such Event of Default has been cured, in each case within 30 days of the date of the declaration and if: (i) the annulment of the acceleration of Notes would not conflict with any judgment or decree of a court of competent jurisdiction; and (ii) all existing Events of Default, except nonpayment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Section 6.03. Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal and premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Past Defaults.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes (including in connection with an offer to purchase); *provided, however*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration, if the rescission would not conflict with a judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law, this Indenture or any Security Document that the Trustee determines in good faith may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

Section 6.06. Limitation on Suits.

A Holder of a Note may pursue a remedy with respect to this Indenture, the Security Documents or the Notes only if:

(a) such Holder gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal and premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a) or (b) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal and premium, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

Subject to the Priority Lien Intercreditor Agreement, the Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company or any Guarantor (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.06 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.06 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

If the Trustee collects any money pursuant to this Article 6 or any Security Document (but subject to the Priority Lien Intercreditor Agreement), it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.06 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal and premium, if any, and interest, ratably, without preference or priority of any kind, according to the

amounts due and payable on the Notes for principal and premium, if any and interest, respectively; and

Third: to the Company, or any Guarantor, or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7.
TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee will not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture will require the Trustee to expend or risk its own funds or incur any liability. The Trustee will be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Section 7.09 hereof.

Section 7.04. Trustee's Disclaimer.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, and premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder, except for Defaults arising from failure to make any required payments to the Trustee or Defaults of which the Trustee has actual knowledge, unless the Trustee is specifically notified in writing of such Default by the Company or the Holders of twenty-five percent (25%) in aggregate principal amount of the Notes then outstanding, and all such notices or other instruments required to be delivered to the Trustee must be delivered to the Corporate Trust Office of the Trustee.

Section 7.06. Compensation and Indemnity.

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company will indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.06) and defending itself against any claim (whether asserted by the Company, the Guarantors or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its gross negligence or bad faith. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Such notice shall include a copy of any complaint that may have been filed with respect to that claim or any demand letter or other notification the Trustee has received which the Trustee believes will give rise to a claim for which it may seek indemnification. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Guarantors of their obligations hereunder, except to the extent that such failure prejudices the availability of defenses or counterclaims or otherwise adversely impacts the ability of the Company or any Guarantor to conduct the defense of such action. The Company or such Guarantor will defend the claim and shall have the right to make all decisions with respect to conduct of any litigation or other proceedings with respect to that claim, including but not limited to determining the defenses or

counterclaims to pursue and the right to settle any such claim. The Trustee shall cooperate with the Company or any Guarantor in the Company's or such Guarantor's conduct of such defense. The Trustee may retain separate counsel to represent it in connection with that defense at the Trustee's own expense; provided that, if the Trustee can demonstrate that a conflict of interest exists between the Company or the applicable Guarantor and the Trustee which makes it impossible for the Company or such Guarantor to defend the Trustee in such matter or the Company refuses to conduct a defense, the Company shall pay the Trustee's reasonable legal expenses in conducting that defense. Neither the Company nor any Guarantor need pay for any settlement made without the Company's consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Guarantors under this Section 7.06 will survive the satisfaction and discharge of this Indenture.

(d) To secure the Company's payment obligations in this Section 7.06, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(j) or (k) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.07. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.07.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.09 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.09, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.06 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.07, the Company's obligations under Section 7.06 hereof will continue for the benefit of the retiring Trustee.

Section 7.08. Successor Trustee by Merger, etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.09. Eligibility; Disqualification.

There will at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition.

ARTICLE 8.
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02. Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes (including the Subsidiary Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Subsidiary Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all their other obligations under such Notes, the Subsidiary Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on such Notes when such payments are due from the trust referred to below;

(b) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantor's obligations in connection therewith; and

(d) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior existence of its option under Section 8.03 hereof.

Section 8.03. Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.04, 4.05, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21 and 4.22 hereof and clause (iv) of Section 5.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Subsidiary Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Subsidiary Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(c) through 6.01(i) hereof will not constitute Events of Default.

Section 8.04. Conditions to Legal or Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, interest and premium, if any, on the outstanding Notes on the stated maturity thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company has delivered to the Trustee an Opinion of Counsel confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date hereof, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;

(f) the Company must deliver to the Trustee an Officer’s Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and

(g) the Company must deliver to the Trustee an Officer’s Certificate and an Opinion of Counsel, which opinion may be subject to customary assumptions and exclusions, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. Deposited Money and Government Securities to be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the “*Trustee*”) pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article Eight to the contrary notwithstanding, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, and premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the Holder of such Note will thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture and the Notes and the Subsidiary Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided, however*, that, if the Company makes any payment of principal of, and premium, if any, or interest on any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9.
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes, any Subsidiary Guarantee, the Priority Lien Intercreditor Agreement or any Security Document without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes, including, in the event that PIK Notes are issued in certificated form, to make appropriate amendments to this Indenture to reflect an appropriate minimum denomination of certificated PIK Notes and establish minimum redemption amounts for certificated PIK Notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code);

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 hereof;

(d) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under this Indenture, any Subsidiary Guarantee, the Priority Lien Intercreditor Agreement or any Security Document of any such Holder, including, for avoidance of doubt, to make any covenant or event of default more restrictive than the covenants or events of default contained in this Indenture, as of the date thereof;

(e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(f) to provide for the issuance of Additional Notes and PIK Notes in accordance with the limitations set forth in this Indenture as of the date hereof;

(g) to conform the text of this Indenture, the Security Documents, the Priority Lien Intercreditor Agreement, the Subsidiary Guarantees or Notes to any provision of the Offering Circular, as amended, under the caption "Description of New Notes" to the extent such provisions in the "Description of New Notes" was intended to be a verbatim recitation of a provision of this Indenture, the Security Documents, the Priority Lien Intercreditor Agreement, Subsidiary Guarantees or the Notes;

(h) to enter into additional or supplemental Security Documents, including Security Documents adding additional First Priority Lien Secured Parties and First Priority Lien Obligations to any Security Document or the Priority Lien Intercreditor Agreement;

(i) to release a Guarantor from its obligations under its Subsidiary Guarantees, the Notes or this Indenture in accordance with the applicable provisions of this Indenture;

(j) to release Collateral in accordance with the terms of this Indenture, the Security Documents or the Priority Lien Intercreditor Agreement;

(k) to evidence and provide for the acceptance and appointment under this Indenture of a successor trustee thereunder pursuant to the requirements thereof;

(l) to make, complete or confirm any grant of Collateral permitted or required by this Indenture or any of the Security Documents or any release of Collateral that becomes effective as set forth in this Indenture, any of the Security Documents or the Priority Lien Intercreditor Agreement;

(m) to allow any Guarantor to execute a supplemental indenture and/or a Subsidiary Guarantee with respect to the Notes; or

(n) to secure any First Priority Lien Debt under the Security Documents and to appropriately include the same in the Priority Lien Intercreditor Agreement.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Company and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee will not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including, without limitation, Section 3.09, 4.10 and 4.15 hereof) and the Notes (including the Subsidiary Guarantees) with the consent of the Holders of at least a majority in principal amount of the outstanding Notes (including Additional Notes and PIK Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, and premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Subsidiary Guarantees or the Notes (including the obligation of the Company to make an offer to repurchase the Notes as a result of a Change of Control) may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes or PIK Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes). Without the consent of at least 75% in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, such Notes), no waiver or amendment to this Indenture may make any change relating to any release of any Guarantor from any of its obligations under its Subsidiary Guarantee or this Indenture, except in accordance with the terms of this Indenture. Sections 2.08 and 2.09 hereof shall determine which Notes are considered to be “outstanding” for purposes of this Section 9.02. In addition, without the consent of at least 66 2/3% in principal amount of the Notes then outstanding (including consents retained in connection with a tender offer or exchange offer for, or purchase of, such Notes) no waiver or amendment to the provisions of this Indenture or any Security Document has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes. In addition, any amendment to, or waiver of, the provisions of this Indenture relating to the subordination in right of payment of the Notes that adversely affects the rights of the Holders will require the consent of at least 75% in aggregate principal amount of the Notes then outstanding.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee will join with the Company in the execution of such amended or supplemental indenture unless such amended or supplemental indenture directly affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof;

(c) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(d) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of, principal of or interest or premium, if any, on the Notes;

(g) waive a redemption payment with respect to any Note except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof; or

(h) make any change in the foregoing amendment and waiver provisions.

Section 9.03. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.04. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.05. Trustee to Sign Amendments, etc.

The Trustee will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental indenture until the

Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee will be entitled to receive and (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 14.02 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

Notwithstanding the foregoing, an Opinion of Counsel shall not be required in connection with the addition of a Guarantor under this Indenture upon execution and delivery by such Guarantor and the Trustee of a supplemental indenture to this Indenture, the form of which is attached as Exhibit E hereto.

ARTICLE 10.
SECURITY

Section 10.01. Security Interest.

Effective upon the execution of the Security Documents by the parties thereto, the obligations of the Company and the Guarantors (other than Empire Burbank) with respect to the Notes and the Subsidiary Guarantees, all obligations under any future Parity Lien Debt, all other Parity Lien Obligations (including the Existing Second Lien Notes) and the performance of all other obligations of the Company and the Guarantors (other than Empire Burbank) under this Indenture, the Notes, the Subsidiary Guarantees and the Security Documents shall, subject to the Priority Lien Intercreditor Agreement, be secured equally and ratably by junior-priority security interests (subject to Permitted Liens) in the Collateral granted to the Collateral Agent for the benefit of the holders of the Parity Lien Obligations, all as more fully set forth in the Security Documents. Notwithstanding the foregoing, pursuant to the Priority Lien Intercreditor Agreement and as further described in Section 1.04(a) hereof, the security interests securing the Notes will be junior in priority to any and all security interests at any time granted to secure the First Priority Lien Obligations, *pari passu* with any and all security interests at any time granted to secure Parity Lien Obligations (including the Existing Second Lien Notes), and will also be subject to all other Permitted Liens.

Section 10.02. Equal and Ratable Sharing of Collateral by Holders of Parity Lien Debt.

(a) Notwithstanding:

(i) anything to the contrary contained in the Security Documents,

(ii) the time of incurrence of any Series of Parity Lien Debt,

(iii) the order or method of attachment or perfection of any Liens securing any Series of Parity Lien Debt,

(iv) the time or order of filing or recording of financing statements, Mortgages or other documents filed or recorded to perfect any Lien upon any Collateral,

(v) the time of taking possession or control over any Collateral,

(vi) that any Parity Lien may not have been perfected or may be or have become subordinated, by equitable subordination or otherwise, to any other Lien, or

(vii) the rules for determining priority under any law governing relative priorities of Liens:

(A) all Liens at any time granted to secure any of the Parity Lien Debt will secure, equally and ratably, all present and future Parity Lien Obligations;

(B) and all proceeds of all Liens at any time granted to secure any of the Parity Lien Debt and other Parity Lien Obligations will be allocated and distributed equally and ratably on account of the Parity Lien Debt and other Parity Lien Obligations, subject to the provisions of the Priority Lien Intercreditor Agreement; *provided*, that in the absence of an Actionable Default, the Company shall be entitled to utilize cash proceeds of Collateral in the ordinary course of its business or as may be required by its financing agreements.

(b) Section 10.02(a) is intended for the benefit of, and will be enforceable as a third party beneficiary by, each present and future holder of Parity Lien Obligations, each present and future Parity Lien Debt Representative and the Trustee as holder of Parity Liens. No other Person will be entitled to rely on, have the benefit of or enforce this provision. The Parity Lien Debt Representative of each future Series of Parity Lien Debt will be required to deliver a debt sharing confirmation to, among others, the Trustee at the time of incurrence of such Series of Parity Lien Debt.

Section 10.03. Relative Rights.

(a) Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents and the Priority Lien Intercreditor Agreement (including, without limitation, the provisions providing for foreclosure and release of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms and authorizes and directs the Trustee to enter into the Priority Lien Intercreditor Agreement and the other Security Documents and/or any amendments or joinders thereto and to perform its respective obligations and exercise its respective rights thereunder in accordance therewith.

(b) Nothing in this Indenture, any Note or any Security Document will:

(i) impair, as between the Company and the Holders of the Notes or holder of Parity Lien Obligations, the obligation of the Company to pay principal of, or premium or interest, if any, on the Notes in accordance with their terms or any other obligation of the Company or any other Obligor under this Indenture, any Note or any Security Document;

(ii) restrict the right of any Holder of Notes or holder of Parity Lien Obligations to sue for payments that are then due and owing in a manner not prohibited by the Priority Lien Intercreditor Agreement;

(iii) restrict or prevent any Holder of Notes or holder of Parity Lien Obligations, the Trustee, the Collateral Agent or other Person on their behalf from exercising any of its rights or remedies upon a Default or Event of Default not prohibited by the Priority Lien Intercreditor Agreement; or

(iv) restrict or prevent any Holder of Notes or holder of Parity Lien Obligations, the Trustee, the Collateral Agent or any other Person on their behalf from taking any lawful action in a bankruptcy, insolvency or liquidation proceeding not prohibited by the Priority Lien Intercreditor Agreement.

Section 10.04. Release of Collateral.

The Collateral subject to the Security Documents may be released from the Lien and security interest created by the Security Documents under any one or more of the following circumstances:

(i) to enable the Company or any of the Guarantors to consummate the disposition of such property or assets to the extent not prohibited under Section 4.10;

(ii) in the case of a Guarantor that is released from its Subsidiary Guarantee with respect to the Notes, the release of the property and assets of such Guarantor;

(iii) in respect of the property and assets of a Restricted Subsidiary that is a Guarantor, upon the designation of such Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.07 and the definition of "Unrestricted Subsidiary";

(iv) in whole or in part, with the consent of the Holders of the requisite percentage of Notes in accordance with the provisions described in Article 9 hereof;

(v) upon satisfaction and discharge of this Indenture pursuant to Section 12.01 hereof;

(vi) upon a Legal Defeasance or Covenant Defeasance of the Notes pursuant to Section 8.02 hereof;

(vii) upon payment in full and discharge of all Notes outstanding under this Indenture and all Obligations that are outstanding, due and payable under this Indenture at the time the Notes are paid in full and discharged; or

(viii) as otherwise required by Section 5.1 of the Priority Lien Intercreditor Agreement.

Section 10.05. Real Property.

Within ninety (90) days of the issue date of the Initial Notes (or such later date as the Trustee may agree in its sole discretion), the Company shall deliver to the Trustee amendments to or amendments and restatements of the existing Mortgages in favor of the trustee under the Existing Second Lien Notes Indenture or additional equivalent Mortgages for real property owned in fee listed on Schedule II hereto and the Burbank Studio Property, the Dallas Studio Property and the Houston Studio Property (the "*Issue Date Mortgaged Properties*"). The Company and the applicable Guarantors will use their commercially reasonable efforts to deliver, as soon as applicable but in no event later than ninety (90) days following the issue date of the Initial Notes (or such later date as the Trustee may agree in its sole discretion): (i) a mortgagee's title insurance policy (it being understood that such title policy shall not be required to include a survey endorsement) insuring a junior priority lien with respect to each Issue Date Mortgaged Property, and (ii) a customary opinion of local counsel relating to the enforceability of such amendments to or amendments and restatements of the Mortgages or additional Mortgages.

Within ninety (90) days of the date of this Indenture (or such later date as the Trustee may agree in its sole discretion), the Company shall use commercially reasonable efforts to deliver to the Trustee amendments to or amendments and restatements of any leasehold mortgages in respect of the properties listed on Schedule III hereto or additional equivalent leasehold mortgages covering such property.

Notwithstanding anything contained in this Section 10.05 to the contrary, to the extent that the Trustee reasonably requests that the Company enter into any non-disturbance or similar agreement in connection with any of the Mortgaged Property or any of the leased real property subject to a leasehold mortgage, the Company shall only be required to use commercially reasonable efforts to do so.

Section 10.06. [Reserved].

Section 10.07. After-acquired Collateral.

From and after the issue date of the Initial Notes and subject to limitations and exceptions, if any, set forth in the Security Documents, if the Company or any Guarantor creates any additional security interest upon any property or asset to secure any First Priority Lien Obligations (which include Obligations in respect of the Credit Agreement), it must concurrently grant a junior-priority security interest (subject to Permitted Liens, including the senior-priority lien that secures obligations in respect of the First Priority Lien Obligations) upon such property as security for the Notes. Within sixty (60) days of the acquisition by the Company or any Guarantor of any owned real property with a Fair Market Value (as defined in the Credit Agreement) in excess of $2,500,000, the Company or the applicable Guarantors will (i) deliver to the Trustee Mortgages for each such owned real property and (ii) deliver the other documents and take the other actions specified in Section 10.05 with respect to each such owned real property.

Section 10.08. Further assurances.

The Company shall, and shall cause each of the Guarantors (other than Empire Burbank) to, do or cause to be done all acts and things which may be required, or which the Trustee from time to time may reasonably request, to assure and confirm that the Trustee holds, for the benefit of the holders of Parity Lien Debt, duly created, enforceable and perfected Liens upon the Collateral as contemplated by this Indenture and the Security Documents.

ARTICLE 11.
SUBSIDIARY GUARANTEES

Section 11.01. Guarantee.

Subject to this Article 11, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes, the Security Documents or the obligations of the Company hereunder or thereunder, that: (a) the principal of, and premium, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a Guarantee of payment and not a Guarantee of collection.

The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to

enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenant that this Subsidiary Guarantee will not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee.

Section 11.02. [Intentionally Omitted]

Section 11.03. Limitation on Guarantor Liability.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Subsidiary Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any Subsidiary Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 11, result in the obligations of such Guarantor under its Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

Section 11.04. Execution and Delivery of Subsidiary Guarantee.

To evidence its Subsidiary Guarantee set forth in Section 11.01, each Guarantor hereby agrees that a notation of such Subsidiary Guarantee substantially in the form included in Exhibit E will be endorsed by an Officer of such Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture will be executed on behalf of such Guarantor by one of its Officers.

Each Guarantor hereby agrees that its Subsidiary Guarantee set forth in Section 11.01 will remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

If an Officer whose signature is on this Indenture or on the Subsidiary Guarantee no longer holds that office at the time the Trustee authenticates the Note on which a Subsidiary Guarantee is endorsed, the Subsidiary Guarantee will be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, will constitute due delivery of the Subsidiary Guarantee set forth in this Indenture on behalf of the Guarantors.

In the event that the Company creates or acquires any new Domestic Subsidiary after the date of this Indenture, if required by Section 4.17 hereof, the Company will cause such Domestic Subsidiary to comply with the provisions of Section 4.17 hereof and this Article 11, to the extent applicable.

Section 11.05. Guarantors May Consolidate, etc., on Certain Terms.

Except as otherwise provided in Section 11.06, no Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Company or another Guarantor, unless:

(a) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(b) either:

(i) subject to Section 11.06 hereof, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under this Indenture, its Subsidiary Guarantee and the Security Documents pursuant to a supplemental indenture substantially in the form of Exhibit E hereto and appropriate Security Documents satisfactory to the Trustee; or

(ii) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person will succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued will in all respects have the same legal rank and benefit under this Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

Except as set forth in Articles 4 and 5 hereof, and notwithstanding clauses (a) and (b) above, nothing contained in this Indenture or in any of the Notes will prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or will prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 11.06. Releases Following Sale of Assets.

In the event (a) of a sale or other disposition of all or substantially all of the assets of any Guarantor (including by way of merger or consolidation) or a sale or other disposition of all of the Capital Stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, *provided* that the Net Proceeds of such sale or other disposition are applied in accordance with Section 4.10 hereof, (b) the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of this Indenture, including without limitation, Section 4.19 hereof, or (c) of defeasance of the Notes as described below under Section 8.02 or Section 8.03 or satisfaction and discharge of this Indenture as described below under Section 12.01, then such Guarantor will be automatically and unconditionally released and discharged of any obligations under its Subsidiary Guarantee. Upon delivery by the Company to the Trustee of an Officer's Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of this Indenture, including without limitation Section 4.10 hereof, the Trustee will execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

Any Guarantor not released from its obligations under its Subsidiary Guarantee will remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article 11.

ARTICLE 12.
SATISFACTION AND DISCHARGE

Section 12.01. Satisfaction and Discharge.

This Indenture and the Security Documents will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(a) either:

(i) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal and premium, if any, and accrued interest to the date of maturity or redemption;

(b) no Default or Event of Default (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposits) has occurred and is continuing on the date of such deposit or will occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(c) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(d) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel, which opinion may be subject to customary assumptions and exclusions, to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to subclause (ii) of clause (a) of this Section 12.01, the provisions of Section 12.02 and Section 8.06 will survive.

Section 12.02. Application of Trust Money.

Subject to the provisions of Section 8.06, all money deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes, the Security Documents and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any money or Government Securities in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Guarantor's obligations under this Indenture, the Security Documents and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; *provided* that if the Company has made any payment of principal of, premium, if any, or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or Government Securities held by the Trustee or Paying Agent.

ARTICLE 13.
SUBORDINATION

Section 13.01. Agreement to Subordinate.

The Company agrees, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by the Notes is subordinated in right of payment, to the extent and in the manner provided in this Article 13, to the prior payment in full of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

Section 13.02. Liquidation; Dissolution; Bankruptcy.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or in any marshaling of the Company's assets

and liabilities holders of Senior Debt will be entitled to receive payment in full of all Obligations due in respect of such Senior Debt (including interest after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt) before Holders of the Notes will be entitled to receive any payment with respect to the Notes, on account of any purchase or redemption or other acquisition on any Note in connection with an Asset Sale Offer or a Change of Control Offer (except that Holders may receive and retain (A) Permitted Junior Securities and (B) payments made from any trusts created pursuant to Article 8 or 12 hereof).

To the extent any payment of Senior Debt (whether by or on behalf of the Company, as proceeds of security or enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then, if such payment is recovered by, or paid over to, such receiver, trustee in bankruptcy, liquidating trustee, agent or other similar Person, the Senior Debt or part thereof originally intended to be satisfied will be deemed to be reinstated and outstanding as if such payment had not occurred.

Section 13.03. Default on Designated Senior Debt.

(a) Neither the Company nor any Guarantor may make any payment or distribution to the Trustee or any Holder in respect of Obligations with respect to the Notes and may not acquire from the Trustee or any Holder any Notes for cash or property (other than (A) Permitted Junior Securities and (B) payments made from any trusts created pursuant to Article 8 or 12 hereof) until all principal and other Obligations with respect to the Senior Debt have been paid in full if:

(i) a default in the payment of any principal or other Obligations with respect to Designated Senior Debt occurs and is continuing beyond any applicable grace period in the agreement, indenture or other document governing such Designated Senior Debt; or

(ii) any other default occurs and is continuing on any series of Designated Senior Debt that then permits holders of that series of Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of the default (a "*Payment Blockage Notice*") from the Company or the holders of any Designated Senior Debt. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice will be effective for purposes of this Section 13.03 unless and until at least 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee will be, or be made, the basis for a subsequent Payment Blockage Notice unless such default has been cured or waived for a period of not less than 90 days.

(b) The Company may and will resume payments on and distributions in respect of the Notes and may acquire them upon the earlier of:

(i) in the case of a payment default, upon the date on which such default is cured or waived, or

(ii) in the case of a nonpayment default, upon the earlier of:

(A) the date on which such nonpayment default is cured or waived,

(B) 179 days after the date on which the applicable Payment Blockage Notice is received, or

(C) the date on which the Trustee receives notice from or on behalf of the holders of Designated Senior Debt to terminate the applicable Payment Blockage Notice, unless the maturity of any Designated Senior Debt has been accelerated,

if this Article 13 otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

Section 13.04. Acceleration of Notes.

If payment of the Notes is accelerated because of an Event of Default, the Company will promptly notify holders of Senior Debt of the acceleration.

Section 13.05. When Distribution Must Be Paid Over.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Notes (except (A) in Permitted Junior Securities or (B) from payments and other distributions made from any trusts created pursuant to Article 8 or 12 hereof so long as, on the date or dates the respective amounts were paid into trust, such payments were made without violating any of the provisions of this Article 13) at a time such payment is prohibited by Section 13.03 hereof, such payment will be held by the Trustee or such Holder, in trust for the benefit of, and will be paid forthwith over and delivered, upon written request, to, the holders of Senior Debt as their interests may appear or their Representative under the agreement, indenture or other document (if any) pursuant to which Senior Debt may have been issued, as their respective interests may appear, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 13, and no implied covenants or obligations with respect to the holders of Senior Debt will be read into this Indenture against the Trustee. The Trustee will not be deemed to owe any fiduciary duty to the holders of Senior Debt, and will not be liable to any such holders if the Trustee in good faith shall pay over or distribute to or on behalf of Holders or the Company money or assets to which any holders of Senior Debt are then entitled by virtue of this Article 13, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

Section 13.06. Notice by Company.

The Company will promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Notes to violate this Article 13, but failure to give such notice will not affect the subordination of the Notes to the Senior Debt as provided in this Article 13.

Section 13.07. Subrogation.

After all Senior Debt is paid in full and until the Notes are paid in full, Holders of Notes will be subrogated (equally and ratably with all other Indebtedness *pari passu* with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 13 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Company and Holders, a payment by the Company on the Notes.

Section 13.08. Relative Rights.

This Article 13 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture will:

(i) impair, as between the Company and Holders of Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms;

(ii) affect the relative rights of Holders of Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

(iii) prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Company fails because of this Article 13 to pay principal of or interest on a Note on the due date, the failure is still a Default or Event of Default.

Section 13.09. Subordination May Not Be Impaired by Company.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes will be impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with this Indenture.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Debt may, at any time from time to time, without the consent of or notice to the Trustee, without incurring responsibility to the Trustee or the Holders of the Notes and without impairing or releasing the provisions of this Article 13 or the obligations under this Indenture of the Holders of the Notes to the holders of the Senior Debt, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, the Senior Debt, or otherwise amend or supplement in any manner, Senior Debt, or any instrument evidencing the same or any agreement under which Senior Debt is outstanding; (ii) subject to the Priority Lien Intercreditor Agreement, sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Debt; (iii) release any Person liable in any manner for the payment or collection of Senior Debt; and (iv) exercise or refrain from exercising any rights against the Company and any other Person.

Section 13.10. Distribution or Notice to Representative.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article 13, the Trustee and the Holders of Notes will be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 13.

Section 13.11. Rights of Trustee and Paying Agent.

Notwithstanding the provisions of this Article 13 or any other provision of this Indenture, the Trustee will not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless the Trustee has received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 13. Only the Company or a Representative may give the notice. Nothing in this Article 13 will impair the claims of, or payments to, the Trustee under or pursuant to Section 7.06 hereof.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

Section 13.12. Authorization to Effect Subordination.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 13, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

Section 13.13. Amendments.

No amendment may be made to the provisions of this Article 13 that adversely affects the rights of any holder of Senior Debt then outstanding unless the holders of such Senior Debt (or any group or representative thereof authorized to give a consent) consent to such change.

ARTICLE 14.
MISCELLANEOUS

Section 14.01. Notices.

Any notice or communication by the Company, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telex, telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504
Telecopier No.: (818) 729-5678
Attention: Lenard D. Liberman
Blima Tuller

With a copy to:

O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, CA 90071
Telecopier No.: (213) 430-6000
Attention: Joseph K. Kim
John-Paul Motley

If to the Trustee:

U.S. Bank National Association
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Telecopier No.: (206) 344-4630
Attention: Global Corporate Trust Services

The Company, any Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 14.02. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which will include the statements set forth in Section 14.03 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 14.03. Statements Required in Certificate or Opinion.

Each certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture will include:

(a) a statement that the Person making such certificate or rendering such opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 14.04. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 14.05. No Personal Liability of Directors, Officers, Employees and Shareholders.

No director, officer, employee, incorporator, member, manager, partner or shareholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Subsidiary Guarantees, the Security Documents, this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 14.06. Governing Law.

THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE SUBSIDIARY GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 14.07. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 14.08. Successors.

All agreements of the Company in this Indenture, the Security Documents and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successors. All agreements of each Guarantor in this Indenture will bind its successors, except as otherwise provided in Section 11.06.

Section 14.09. Severability.

In case any provision in this Indenture or in the Notes is be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 14.10. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Section 14.11. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

Dated as of December 23, 2014

LBI MEDIA, INC.

By: ______________________________
Name: Blima Tuller
Title: Chief Financial Officer

GUARANTORS:

LIBERMAN TELEVISION LLC
LIBERMAN BROADCASTING OF CALIFORNIA LLC
LBI RADIO LICENSE LLC
KRCA LICENSE LLC
KRCA TELEVISION LLC
EMPIRE BURBANK STUDIOS LLC
KZJL LICENSE LLC
LIBERMAN TELEVISION OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LICENSE LLC
LIBERMAN BROADCASTING OF DALLAS LLC
LIBERMAN BROADCASTING OF DALLAS LICENSE LLC
LIBERMAN TELEVISION OF DALLAS LLC
LIBERMAN TELEVISION OF DALLAS LICENSE LLC

By: ______________________________
Name: Blima Tuller
Title: As Chief Financial Officer
of each of the entities listed above

U.S. BANK NATIONAL ASSOCIATION

By: ______________________________
Name:
Title:

EXHIBIT A-1

[Face of Note]

CUSIP/ISIN _________

11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

[PIK]

No. ___ $_________

LBI MEDIA, INC.

promise to pay to ____ or registered assigns,

the principal sum of ____Dollars on April 15, 2020.

Interest Payment Dates: May 15 and November 15

Record Dates: May 1 and November 1

Dated: _________

LBI MEDIA, INC.

By: ______________________________
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: ______________________________
Authorized Signatory

[Back of Note]
11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

Capitalized terms used herein will have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. *INTEREST*. LBI Media, Inc., a California corporation (the "*Company*"), promises to pay interest on the principal amount of this Note (x) on or prior to November 15, 2016, at the election of the Company (made by delivering a notice to the Trustee prior to the beginning of each such interest period), at a rate of (i) 8.75% per annum in cash ("*Cash Interest*"), plus 2.75% per annum paid-in-kind interest ("*PIK Interest*") or (ii) 4.25% Cash Interest plus 9.25% PIK Interest and (y) from and after November 15, 2016, at a rate of 8.75% Cash Interest plus 2.75% PIK Interest, in each case, calculated based on the outstanding principal amount of this Note as of the beginning of such interest period (after giving effect to any issuance of PIK Notes in respect of the immediately preceding interest period). For each interest period on or prior to November 15, 2016, in the absence of notice sent by the Company electing to pay interest on the Note at a rate of 8.75% Cash Interest and 2.75% PIK Interest prior to the beginning of such interest period, interest on the Note will be payable in the manner described in clause (x)(ii) of the preceding sentence. PIK Interest on this Note will be payable (x) with respect to Global Notes registered in the name of, or held by, the Depository, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar) as provided in writing by the Company to the Trustee and (y) with respect to Definitive Notes, by issuing PIK Notes in definitive form in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar). Any PIK Notes issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. Cash Interest will accrue from the date of issuance of the Notes until maturity and, following an increase in the principal amount of this Note as a result of a PIK Payment, this Note will bear interest on such increased principal amount from and after the date of such PIK Payment until maturity. The last interest payment will be entirely in cash. Notwithstanding anything to the contrary, the payment of accrued interest in connection with any redemption of this Note pursuant to Section 5, Section 7(a) or Section 7(b) hereof, shall be made solely in cash. Any certificated PIK Note will be issued with the description "PIK" on the face of such PIK Note.

The Company will pay interest semi-annually in arrears on May 15 and November 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided, further*, that the first Interest Payment Date shall be May 15, 2015. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the rate then in effect to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. *METHOD OF PAYMENT*. The Company will pay Cash Interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the May 1 or November 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal and premium, if any, and Cash Interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of Cash Interest, if any, may be made by check mailed on the Interest Payment Date to the Holders at their addresses set forth in the register of Holders, *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and Cash Interest and premium, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. *PAYING AGENT AND REGISTRAR*. Initially, U.S. Bank National Association, a national banking association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. *INDENTURE*. The Company issued the Notes under an Indenture dated as of December 23, 2014 (the "*Indenture*") among the Company, the guarantors party thereto (the "*Guarantors*") and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

5. *OPTIONAL REDEMPTION*.

(a) Except as set forth in subparagraphs (b) or (c) of this Paragraph 5, the Company will not have the option to redeem the Notes prior to November 15, 2017. Thereafter, the Company will have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes to be redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on November 15 of the years indicated below:

Year	Percentage
2017	105.500%
2018	102.750%
2019 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to November 15, 2016, the Company may on one or more occasions redeem Notes with all or a portion of the net cash proceeds of one or more Equity Offerings at a redemption price equal to 111% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the applicable redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Affiliates) and that such redemption occurs within 90 days of the date of the closing of such Equity Offering.

(c) At any time or from time to time prior to November 15, 2017, the Company, at its option, may redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium, together with accrued and unpaid interest thereon, if any, to the redemption date. The Company may provide that payment of such redemption price may be made by, and performance of the obligations in respect of such redemption may be performed by, another Person.

6. *MANDATORY REDEMPTION; OPEN MARKET PURCHASES.*

The Company will not be required to make mandatory redemption or sinking fund payments with respect to the Notes. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

7. *REPURCHASE AT THE OPTION OF HOLDERS.*

(a) If there is a Change of Control, the Company will be required to make an offer (a "*Change of Control Offer*") to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000 in excess thereof (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof)) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date (the "*Change of Control Payment*"); provided, that the Company will not be obligated to repurchase Notes in the event that it exercises its right to redeem all of the Notes as described in Section 3.07 of the Indenture, unless and until there is a default in payment of the applicable redemption price. Within 30 days following any Change of Control, the Company will mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) Within 60 days after the receipt of Excess Proceeds, the Company or such Restricted Subsidiary shall apply those Excess Proceeds at its option: (i) to repay Senior Debt and if such Senior Debt is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; ; provided, however, that if Net Proceeds are used to repay Senior Debt that is revolving credit Indebtedness, the Company and its Restricted Subsidiaries shall be permitted to maintain $25.0 million or less of commitments, without effecting any corresponding commitment reductions, for any such revolving credit Indebtedness, even if the Company or any of its Restricted Subsidiaries repay such Indebtedness below $25.0 million; (ii) commence an offer (an "*Asset Sale Offer*") to all Holders of Notes and all holders of Parity Lien Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes (including any Additional Notes and any PIK Notes) and such Parity Lien Debt that may be purchased out of the Excess Proceeds at an offer price for the Notes, in cash, in an amount equal to the price specified in the Indenture plus accrued and unpaid interest, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture; or (iii) to repurchase or redeem (A) Holdings Notes outstanding and held by third parties other than Holdings or any of its Subsidiaries as of the date of this Indenture, plus any Holdings Notes issued in the future as paid-in-kind interest on such notes, or (B) any Holdings Permitted Refinancing Indebtedness that is issued in exchange for, or the net proceeds of which are used to refund, refinance or replace, such outstanding Holdings Notes, plus any Holdings Notes issued in the future as paid-in-kind interest on such Holdings Notes, in each case of clauses (A) and (B) at a purchase price not to exceed 100% of the principal amount of the Holdings Notes or Holdings Permitted Refinancing Indebtedness, plus expenses incurred in connection therewith but not to exceed $100,000 in the aggregate subject to the limitations contained in Section 4.07(b)(14) of the Indenture and accrued and unpaid interest, but only, with respect to this clause (iii), with Net Proceeds from Spectrum Asset Sale in excess of $125.0 million

(for avoidance of doubt, Net Proceeds from Spectrum Asset Sales cannot be Restricted Asset Sale Proceeds and all Net Proceeds from Spectrum Asset Sales must be applied in accordance with clause (i), (ii) and/or if applicable, (iii) of this paragraph). To the extent that the aggregate amount of Notes (including any Additional Notes and any PIK Notes) and Parity Lien Debt tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Restricted Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (including any Additional Notes and any PIK Notes) and other Parity Lien Debt surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select such tendered Notes and such tendered Parity Lien Debt to be purchased on a pro rata basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. *Notice of Redemption*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000 (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof), unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. *Denominations, Transfer, Exchange*. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000 in excess thereof. PIK Payments, if any, will be made in PIK Note denominations of $1.00 and any integral multiple of $1.00 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. *Persons Deemed Owners*. The registered Holder of a Note may be treated as its owner for all purposes.

11. *Amendment, Supplement and Waiver*. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes and Additional Notes, if any, and PIK Notes, if any, voting as a single class, and any existing default or compliance with any provision of the Indenture, the Subsidiary Guarantees, or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes and Additional Notes, if any, and PIK Notes, if any, voting as a single class. Without the consent of any Holder of a Note, the Indenture, the Subsidiary Guarantees, the Priority Lien Intercreditor Agreement, the Security Documents or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, including, in the event that any PIK Notes are issued in certificated form, to make appropriate amendments to the Indenture to reflect an appropriate minimum denomination of certificated PIK Notes and establish minimum redemption amounts for certificated PIK Notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code), to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation or sale of all or substantially all of the Company's assets, to make any change that would provide any additional rights or

benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture, any Subsidiary Guarantee, the Priority Lien Intercreditor Agreement or any Security Document of any such Holder, including, for the avoidance of doubt, to make any covenant or event of default more restrictive than the covenants or events of default contained in the Indenture as of the date thereof, to provide for the Issuance of Additional Notes and any PIK Notes in accordance with the limitations set forth in the Indenture, to conform the text of the Indenture, the Security Documents, the Priority Lien Intercreditor Agreement, the Subsidiary Guarantees or Notes to any provision of the Offering Circular, as amended, under the caption "Description of New Notes" to the extent such provisions in the "Description of New Notes" were intended to be a verbatim recitation of a provision of the Indenture, the Subsidiary Guarantees, the Security Documents, the Priority Lien Intercreditor Agreement or the Notes, to enter into additional supplemental Security Documents, including Security Documents adding additional First Priority Lien Secured Parties and First Priority Lien Obligations to any Security Document or the Priority Lien Intercreditor Agreement, to release a Guarantor from its obligations under its Subsidiary Guarantee, the Notes or the Indenture in accordance with the applicable provisions of the Indenture, to release Collateral in accordance with the terms of the Indenture, the Security Documents or the Priority Lien Intercreditor Agreement, to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee thereunder pursuant to the requirements thereof, to make, complete or confirm any grant of Collateral permitted or required by the Indenture or any of the Security Documents or any release of Collateral that becomes effective as set forth in the Indenture, any of the Security Documents or the Priority Lien Intercreditor Agreement, to allow any Guarantor to execute a supplemental indenture to the Indenture and/or a Subsidiary Guarantee with respect to the Notes, or to secure any First Priority Lien Debt under the Security Documents and to appropriately include the same in the Priority Lien Intercreditor Agreement.

12. *DEFAULTS AND REMEDIES*. Events of Default include: (i) default for 30 days in the payment when due of interest on the Notes; (ii) default in payment when due of principal of, or premium, if any, on the Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise, (iii) failure by the Company or any of its Restricted Subsidiaries to comply with Section 4.15 or 5.01 of the Indenture; (iv) failure by the Company or any of its Restricted Subsidiaries for 30 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to comply with Section 4.07, 4.09, 4.10 or 10.05 of the Indenture; (v) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to observe or perform any other covenant, representation, warranty or other agreement in the Indenture, the Security Documents or the Notes; (vi) default under certain other agreements relating to Indebtedness of the Company which default is caused by a failure to pay principal of or interest on such Indebtedness when due (giving effect to any applicable grace periods and any extensions thereof) or results in the acceleration of such Indebtedness prior to its express maturity; (vii) default under certain other agreements relating to Indebtedness of Holdings if that default results in the acceleration of such Indebtedness prior to its express maturity; (viii) certain final judgments for the payment of money that remain undischarged, unpaid, unrestricted, unbonded or unstayed for a period of 60 days; (ix) (x) any Security Document is held in any judicial proceeding to be unenforceable or invalid in any material respect or ceases for any reason to be in full force and effect in any material respect, other than in accordance with the terms of the relevant Security Documents and except solely as a result of any action taken or not taken by the Trustee acting in its capacity as collateral agent that was required to be taken or not taken by the Trustee acting in its capacity as collateral agent pursuant to the Security Documents, (y) any security interest created by any Security Document ceases to be in full force and effect (except as permitted by the terms of the Indenture or the Security Documents and except solely as a result of any action taken or not taken by the Trustee acting in its capacity as collateral agent that was required to be taken or not taken by the Trustee acting in its capacity as collateral agent pursuant to the Security Documents) with respect to Collateral having a fair market value, as determined in good faith by the

Company's Board of Directors, in excess of $10.0 million, and such default continues for a period of 60 days after the Company receives notice thereof from the Trustee or from the Holders of at least 25% in principal amount of the Notes outstanding specifying such default or (z) the Company or any of its Restricted Subsidiaries, or any Person acting on behalf of any of them, asserts in writing that any Collateral having a fair market value, as determined in good faith by the Company's Board of Directors, in excess of $10.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture or Security Documents); (x) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries; (xi) except as permitted by the Indenture, any Subsidiary Guarantee of a Significant Subsidiary shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor which is a Significant Subsidiary or any Person acting on its behalf shall deny or disaffirm its obligations under its Subsidiary Guarantee, *provided*, *however*, that an Event of Default will also be deemed to occur with respect to Subsidiary Guarantors that are not Significant Subsidiaries if the Subsidiary Guarantees of such Insignificant Subsidiaries are held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or such Insignificant Subsidiaries deny or disaffirm their obligations under their Subsidiary Guarantees (other than in accordance with the terms of such Subsidiary Guarantee), if when aggregated and taken as a whole such Insignificant Subsidiaries would meet the definition of a Significant Subsidiary; and (xii) (I) Holdings shall fail to have executed the Discount Notes Forbearance Agreement not later than September 15, 2013, (II) Holdings shall fail to have delivered a copy thereof to the Trustee within five (5) Business Days after the execution thereof, (III) the Discount Notes Forbearance Agreement shall fail to be in full force and effect, or Holdings shall fail to be in compliance therewith, at all times from and after September 15, 2013 until the indefeasible payment in full of all Obligations under the Notes or (IV) the Discount Notes Forbearance Agreement shall be amended, restated, modified or supplemented without the prior written consent of the holders of at least a majority in principal amount of the Notes. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

14. *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator, member, manager, partner or shareholder of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or such Guarantor under the Notes, the Subsidiary Guarantees, the Security Documents or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. *AUTHENTICATION*. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

16. *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. *GOVERNING LAW*. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504
Attention: Lenard D. Liberman

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: ____
(Insert assignee's legal name)

____
(Insert assignee's soc. sec. or tax I.D. no.)

____

____

____

____
(Print or type assignee's name, address and zip code)

and irrevocably appoint ____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _______________

Your Signature: _________________________________
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_______________

Date: _______________

Your Signature: ________________________________
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: ___________________________

Signature Guarantee*: _________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note as a result of PIK Interest	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

* *This schedule should be included only if the Note is issued in global form.*

EXHIBIT A-2

[Face of Regulation S Temporary Global Note]

CUSIP/ISIN _________

11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

[PIK]

No. ___ $_________

LBI MEDIA, INC.

promise to pay to ____ or registered assigns,

the principal sum of ____Dollars on April 15, 2020.

Interest Payment Dates: May 15 and November 15

Record Dates: May 1 and November 1

Dated: _________

LBI MEDIA, INC.

By: ______________________________
Name:
Title:

This is one of the Notes referred to
in the within-mentioned Indenture:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: ______________________________
Authorized Signatory

[Back of Regulation S Temporary Global Note]
11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF INTEREST HEREON.

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE OR SECTION 2.01(g) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT

FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH AN ISSUER OR ANY AFFILIATE OF AN ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), ONLY (A) TO THE ISSUER OR ANY OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE RIGHT OF THE ISSUER AND THE TRUSTEE OR REGISTRAR, AS APPLICABLE, PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Capitalized terms used herein will have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. *INTEREST*. LBI Media, Inc., a California corporation (the "*Company*"), promises to pay interest on the principal amount of this Note (x) on or prior to November 15, 2016, at the election of the Company (made by delivering a notice to the Trustee prior to the beginning of each such interest period), at a rate of (i) 8.75% per annum in cash ("*Cash Interest*"), plus 2.75% per annum paid-in-kind interest ("*PIK Interest*") or (ii) 4.25% Cash Interest plus 9.25% PIK Interest and (y) from and after November 15, 2016, at a rate of 8.75% Cash Interest plus 2.75% PIK Interest, in each case, calculated based on the outstanding principal amount of this Note as of the beginning of such interest period (after giving effect to any issuance of PIK Notes in respect of the immediately preceding interest period). For each interest period on or prior to November 15, 2016, in the absence of notice sent by the Company electing to pay interest on the Note at a rate of 8.75% Cash Interest and 2.75% PIK Interest prior to the beginning of such interest period, interest on the Note will be payable in the manner described in clause (x)(ii) of the preceding sentence. PIK Interest on this Note will be payable (x) with respect to Global Notes registered in the name of, or held by, the Depository, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar) as provided in writing by the Company to the Trustee and (y) with respect to Definitive Notes, by issuing PIK Notes in definitive form in an aggregate principal amount equal to the amount of PIK Interest for the applicable interest period (rounded down to the nearest whole dollar). Any

PIK Notes issued in certificated form will be dated as of the applicable interest payment date and will bear interest from and after such date. Cash Interest will accrue from the date of issuance of the Notes until maturity and, following an increase in the principal amount of this Note as a result of a PIK Payment, this Note will bear interest on such increased principal amount from and after the date of such PIK Payment until maturity. The last interest payment will be entirely in cash. Notwithstanding anything to the contrary, the payment of accrued interest in connection with any redemption of this Note pursuant to Section 5, Section 7(a) or Section 7(b) hereof, shall be made solely in cash. Any certificated PIK Note will be issued with the description "PIK" on the face of such PIK Note.

The Company will pay interest semi-annually in arrears on May 15 and November 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided, further*, that the first Interest Payment Date shall be May 15, 2015. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the rate then in effect to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Until this Regulation S Temporary Global Note is exchanged for one or more Regulation S Permanent Global Notes, the Holder hereof shall not be entitled to receive payments of interest hereon; until so exchanged in full, this Regulation S Temporary Global Note shall in all other respects be entitled to the same benefits as other Notes under the Indenture.

2. *METHOD OF PAYMENT*. The Company will pay Cash Interest on the Notes (except defaulted interest) to the Persons who are registered Holders of Notes at the close of business on the May 1 or November 1 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal and premium, if any, and Cash Interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York or, at the option of the Company, payment of Cash Interest, if any, may be made by check mailed on the Interest Payment Date to the Holders at their addresses set forth in the register of Holders, *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and Cash Interest and premium, if any, on, all Global Notes and all other Notes the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. *PAYING AGENT AND REGISTRAR*. Initially, U.S. Bank National Association, a national banking association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. *INDENTURE*. The Company issued the Notes under an Indenture dated as of December 23, 2014 (the "*Indenture*") among the Company, the guarantors party thereto (the "*Guarantors*") and the Trustee. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any

provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

5. *OPTIONAL REDEMPTION*.

(a) Except as set forth in subparagraphs (b) or (c) of this Paragraph 5, the Company will not have the option to redeem the Notes prior to November 15, 2017. Thereafter, the Company will have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes to be redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on November 15 of the years indicated below:

Year	Percentage
2017	105.500%
2018	102.750%
2019 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to November 15, 2016, the Company may on one or more occasions redeem Notes with all or a portion of the net cash proceeds of one or more Equity Offerings at a redemption price equal to 111% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the applicable redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Affiliates) and that such redemption occurs within 90 days of the date of the closing of such Equity Offering.

(c) At any time or from time to time prior to November 15, 2017, the Company, at its option, may redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium, together with accrued and unpaid interest thereon, if any, to the redemption date. The Company may provide that payment of such redemption price may be made by, and performance of the obligations in respect of such redemption may be performed by, another Person.

6. *MANDATORY REDEMPTION; OPEN MARKET PURCHASES*.

The Company will not be required to make mandatory redemption or sinking fund payments with respect to the Notes. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

7. *REPURCHASE AT THE OPTION OF HOLDERS*.

(a) If there is a Change of Control, the Company will be required to make an offer (a "*Change of Control Offer*") to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000 in excess thereof (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof)) of each Holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant Interest Payment Date (the "*Change of Control Payment*"); provided, that the Company will not be obligated to repurchase Notes in the event that it exercises its right to redeem all of the Notes as described in Section 3.07 of the Indenture, unless and until there is a default in payment of the applicable redemption price.

Within 30 days following any Change of Control, the Company will mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

(b) Within 60 days after the receipt of Excess Proceeds, the Company or such Restricted Subsidiary shall apply those Excess Proceeds at its option: (i) to repay Senior Debt and if such Senior Debt is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; ; provided, however, that if Net Proceeds are used to repay Senior Debt that is revolving credit Indebtedness, the Company and its Restricted Subsidiaries shall be permitted to maintain $25.0 million or less of commitments, without effecting any corresponding commitment reductions, for any such revolving credit Indebtedness, even if the Company or any of its Restricted Subsidiaries repay such Indebtedness below $25.0 million; (ii) commence an offer (an "*Asset Sale Offer*") to all Holders of Notes and all holders of Parity Lien Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets pursuant to Section 3.09 of the Indenture to purchase the maximum principal amount of Notes (including any Additional Notes and any PIK Notes) and such Parity Lien Debt that may be purchased out of the Excess Proceeds at an offer price for the Notes, in cash, in an amount equal to the price specified in the Indenture plus accrued and unpaid interest, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture; or (iii) to repurchase or redeem (A) Holdings Notes outstanding and held by third parties other than Holdings or any of its Subsidiaries as of the date of this Indenture, plus any Holdings Notes issued in the future as paid-in-kind interest on such notes, or (B) any Holdings Permitted Refinancing Indebtedness that is issued in exchange for, or the net proceeds of which are used to refund, refinance or replace, such outstanding Holdings Notes, plus any Holdings Notes issued in the future as paid-in-kind interest on such Holdings Notes, in each case of clauses (A) and (B) at a purchase price not to exceed 100% of the principal amount of the Holdings Notes or Holdings Permitted Refinancing Indebtedness, plus expenses incurred in connection therewith but not to exceed $100,000 in the aggregate subject to the limitations contained in Section 4.07(b)(14) of the Indenture and accrued and unpaid interest, but only, with respect to this clause (iii), with Net Proceeds from Spectrum Asset Sale in excess of $125.0 million (for avoidance of doubt, Net Proceeds from Spectrum Asset Sales cannot be Restricted Asset Sale Proceeds and all Net Proceeds from Spectrum Asset Sales must be applied in accordance with clause (i), (ii) and/or if applicable, (iii) of this paragraph). To the extent that the aggregate amount of Notes (including any Additional Notes and any PIK Notes) and Parity Lien Debt tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Restricted Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (including any Additional Notes and any PIK Notes) and other Parity Lien Debt surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select such tendered Notes and such tendered Parity Lien Debt to be purchased on a *pro rata* basis. Holders of Notes that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. *NOTICE OF REDEMPTION*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000 (or if a PIK Payment has been made, in minimum denominations of $1.00 and any integral multiple of $1.00 in excess thereof), unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000 in excess thereof. PIK Payments, if any, will be made in PIK Note denominations of $1.00 and any integral multiple of $1.00 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The

Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

This Regulation S Temporary Global Note is exchangeable in whole or in part for one or more Global Notes only (i) on or after the termination of the 40-day restricted period (as defined in Regulation S) and (ii) upon presentation of certificates (accompanied by an Opinion of Counsel, if applicable) required by Article 2 of the Indenture. Upon exchange of this Regulation S Temporary Global Note for one or more Global Notes, the Trustee shall cancel this Regulation S Temporary Global Note.

10. *Persons Deemed Owners*. The registered Holder of a Note may be treated as its owner for all purposes.

11. *Amendment, Supplement and Waiver*. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes and Additional Notes, if any, and PIK Notes, if any, voting as a single class, and any existing default or compliance with any provision of the Indenture, the Subsidiary Guarantees, or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes and Additional Notes, if any, and PIK Notes, if any, voting as a single class. Without the consent of any Holder of a Note, the Indenture, the Subsidiary Guarantees, the Priority Lien Intercreditor Agreement, the Security Documents or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, including, in the event that any PIK Notes are issued in certificated form, to make appropriate amendments to the Indenture to reflect an appropriate minimum denomination of certificated PIK Notes and establish minimum redemption amounts for certificated PIK Notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Internal Revenue Code), to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation or sale of all or substantially all of the Company's assets, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture, any Subsidiary Guarantee, the Priority Lien Intercreditor Agreement or any Security Document of any such Holder, including, for the avoidance of doubt, to make any covenant or event of default more restrictive than the covenants or events of default contained in the Indenture as of the date thereof, to provide for the Issuance of Additional Notes and any PIK Notes in accordance with the limitations set forth in the Indenture, to conform the text of the Indenture, the Security Documents, the Priority Lien Intercreditor Agreement, the Subsidiary Guarantees or Notes to any provision of the Offering Circular, as amended, under the caption "Description of New Notes" to the extent such provisions in the "Description of New Notes" were intended to be a verbatim recitation of a provision of the Indenture, the Subsidiary Guarantees, the Security Documents, the Priority Lien Intercreditor Agreement or the Notes, to enter into additional supplemental Security Documents, including Security Documents adding additional First Priority Lien Secured Parties and First Priority Lien Obligations to any Security Document or the Priority Lien Intercreditor Agreement, to release a Guarantor from its obligations under its Subsidiary Guarantee, the Notes or the Indenture in accordance with the applicable provisions of the Indenture, to release Collateral in accordance with the terms of the Indenture, the Security Documents or the Priority Lien Intercreditor Agreement, to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee thereunder pursuant to the requirements thereof, to make, complete or confirm any grant of Collateral permitted or required by the Indenture or any of the Security Documents or any release

of Collateral that becomes effective as set forth in the Indenture, any of the Security Documents or the Priority Lien Intercreditor Agreement, to allow any Guarantor to execute a supplemental indenture to the Indenture and/or a Subsidiary Guarantee with respect to the Notes, or to secure any First Priority Lien Debt under the Security Documents and to appropriately include the same in the Priority Lien Intercreditor Agreement.

12. *DEFAULTS AND REMEDIES*. Events of Default include: (i) default for 30 days in the payment when due of interest on the Notes; (ii) default in payment when due of principal of, or premium, if any, on the Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise, (iii) failure by the Company or any of its Restricted Subsidiaries to comply with Section 4.15 or 5.01 of the Indenture; (iv) failure by the Company or any of its Restricted Subsidiaries for 30 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to comply with Section 4.07, 4.09, 4.10 or 10.05 of the Indenture; (v) failure by the Company or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding to observe or perform any other covenant, representation, warranty or other agreement in the Indenture, the Security Documents or the Notes; (vi) default under certain other agreements relating to Indebtedness of the Company which default is caused by a failure to pay principal of or interest on such Indebtedness when due (giving effect to any applicable grace periods and any extensions thereof) or results in the acceleration of such Indebtedness prior to its express maturity; (vii) default under certain other agreements relating to Indebtedness of Holdings if that default results in the acceleration of such Indebtedness prior to its express maturity; (viii) certain final judgments for the payment of money that remain undischarged, unpaid, unrestricted, unbonded or unstayed for a period of 60 days; (ix) (x) any Security Document is held in any judicial proceeding to be unenforceable or invalid in any material respect or ceases for any reason to be in full force and effect in any material respect, other than in accordance with the terms of the relevant Security Documents and except solely as a result of any action taken or not taken by the Trustee acting in its capacity as collateral agent that was required to be taken or not taken by the Trustee acting in its capacity as collateral agent pursuant to the Security Documents, (y) any security interest created by any Security Document ceases to be in full force and effect (except as permitted by the terms of the Indenture or the Security Documents and except solely as a result of any action taken or not taken by the Trustee acting in its capacity as collateral agent that was required to be taken or not taken by the Trustee acting in its capacity as collateral agent pursuant to the Security Documents) with respect to Collateral having a fair market value, as determined in good faith by the Company's Board of Directors, in excess of $10.0 million, and such default continues for a period of 60 days after the Company receives notice thereof from the Trustee or from the Holders of at least 25% in principal amount of the Notes outstanding specifying such default or (z) the Company or any of its Restricted Subsidiaries, or any Person acting on behalf of any of them, asserts in writing that any Collateral having a fair market value, as determined in good faith by the Company's Board of Directors, in excess of $10.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture or Security Documents); (x) certain events of bankruptcy or insolvency with respect to the Company or any of its Significant Subsidiaries; (xi) except as permitted by the Indenture, any Subsidiary Guarantee of a Significant Subsidiary shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor which is a Significant Subsidiary or any Person acting on its behalf shall deny or disaffirm its obligations under its Subsidiary Guarantee, *provided*, *however*, that an Event of Default will also be deemed to occur with respect to Subsidiary Guarantors that are not Significant Subsidiaries if the Subsidiary Guarantees of such Insignificant Subsidiaries are held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or such Insignificant Subsidiaries deny or disaffirm their obligations under their Subsidiary Guarantees (other than in accordance with the terms of such Subsidiary Guarantee), if when aggregated and taken as a whole such Insignificant Subsidiaries would meet the definition of a Significant Subsidiary; and (xii) (I) Holdings shall fail to have executed the Discount

Notes Forbearance Agreement not later than September 15, 2013, (II) Holdings shall fail to have delivered a copy thereof to the Trustee within five (5) Business Days after the execution thereof, (III) the Discount Notes Forbearance Agreement shall fail to be in full force and effect, or Holdings shall fail to be in compliance therewith, at all times from and after September 15, 2013 until the indefeasible payment in full of all Obligations under the Notes or (IV) the Discount Notes Forbearance Agreement shall be amended, restated, modified or supplemented without the prior written consent of the holders of at least a majority in principal amount of the Notes. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

14. *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator, member, manager, partner or shareholder of the Company or any of the Guarantors, as such, will not have any liability for any obligations of the Company or such Guarantor under the Notes, the Subsidiary Guarantees, the Security Documents or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. *AUTHENTICATION*. This Note will not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

16. *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

18. *GOVERNING LAW*. THE INTERNAL LAW OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE NOTES WITHOUT GIVING EFFECT TO

APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504
Attention: Lenard D. Liberman

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: ____

(Insert assignee's legal name)

____

(Insert assignee's soc. sec. or tax I.D. no.)

____

____

____

____

(Print or type assignee's name, address and zip code)

and irrevocably appoint ____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _______________

Your Signature: ______________________________

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

$_______________

Date: _______________

Your Signature: ________________________________
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: ___________________________

Signature Guarantee*: _________________________

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF REGULATION S TEMPORARY GLOBAL NOTE

The following exchanges of a part of this Regulation S Temporary Global Note for an interest in another Global Note, or of other Restricted Global Notes for an interest in this Regulation S Temporary Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note as a result of PIK Interest	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504

U.S. Bank National Association
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Global Corporate Trust Services

Re: 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

Reference is hereby made to the Indenture, dated as of December 23, 2014 (the "*Indenture*"), between LBI Media, Inc., a California corporation, as issuer (the "*Company*"), the Guarantors party thereto, and U.S. Bank National Association, a national banking association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

___________________, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $___________ in such Note[s] or interests (the "*Transfer*"), to ___________________________ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note Pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Temporary Global Note, the Regulation S Permanent Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the

proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Permanent Global Note, the Regulation S Temporary Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in the IAI Global Note or a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act;

or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144, Rule 903 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the IAI Global Note and/or the Restricted Definitive Notes and in the Indenture and the Securities Act.

4. ☐ **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note**.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the

United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

____
[Insert Name of Transferor]

By:______________________________________
Name:
Title:

Dated: ________________________

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _________), or

(ii) ☐ Regulation S Global Note (CUSIP _________), or

(iii) ☐ IAI Global Note (CUSIP _________), or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _________), or

(ii) ☐ Regulation S Global Note (CUSIP _________), or

(ii) ☐ IAI Global Note (CUSIP _________), or

(iv) ☐ Unrestricted Global Note (CUSIP _________); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504

U.S. Bank National Association
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Global Corporate Trust Services

Re: 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

(CUSIP)

Reference is hereby made to the Indenture, dated as of December 23, 2014 (the "*Indenture*"), between LBI Media, Inc., a California corporation, as issuer (the "*Company*"), the Guarantors party thereto, and U.S. Bank National Association, a national banking association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

__________________________, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $____________ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] ☐ 144A Global Note, ☐ Regulation S Global Note, ☐ IAI Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

____
[Insert Name of Transferor]

By:____
Name:
Title:

Dated: _______________________

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

LBI Media, Inc.
1845 West Empire Avenue
Burbank, CA 91504

U.S. Bank National Association
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Global Corporate Trust Services

Re: 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II

Reference is hereby made to the Indenture, dated as of December 23, 2014 (the "*Indenture*"), between LBI Media, Inc., a California corporation, as issuer (the "*Company*"), the Guarantors party thereto, and U.S. Bank N.A., a national banking association, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $____________ aggregate principal amount of:

(a) ☐ a beneficial interest in a Global Note, or

(b) ☐ a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "*Securities Act*").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of Notes, at the time of transfer of less than $250,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144(k) under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

____
[Insert Name of Accredited Investor]

By:____
Name:
Title:

Dated: ________________________

EXHIBIT E

FORM OF NOTATION OF GUARANTEE

For value received, each Guarantor (which term includes any successor Person under the Indenture) has, jointly and severally, unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions in the Indenture dated as of December 23, 2014 (the "*Indenture*") among LBI Media, Inc., the Guarantors listed on Schedule I thereto and U.S. Bank National Association, a national banking association, as Trustee (the "*Trustee*"), (a) the due and punctual payment of the principal of, premium, if any, and interest on the Notes (as defined in the Indenture), whether at maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on overdue principal and premium, and, to the extent permitted by law, interest, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee all in accordance with the terms of the Indenture and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. The obligations of the Guarantors to the Holders of Notes and to the Trustee pursuant to the Subsidiary Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee. Each Holder of a Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided, however*, that the Indebtedness evidenced by this Subsidiary Guarantee shall cease to be so subordinated and subject in right of payment upon any defeasance of this Note in accordance with the provisions of the Indenture.

GUARANTORS:

LIBERMAN TELEVISION LLC
LIBERMAN BROADCASTING OF CALIFORNIA LLC
LBI RADIO LICENSE LLC
KRCA LICENSE LLC
KRCA TELEVISION LLC
EMPIRE BURBANK STUDIOS LLC
KZJL LICENSE LLC
LIBERMAN TELEVISION OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LICENSE LLC
LIBERMAN BROADCASTING OF DALLAS LLC
LIBERMAN BROADCASTING OF DALLAS LICENSE LLC
LIBERMAN TELEVISION OF DALLAS LLC
LIBERMAN TELEVISION OF DALLAS LICENSE LLC

By: ______________________________
Name:
Title:

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of _____________, 20___ among __________________ (the "*Guaranteeing Subsidiary*"), a subsidiary of LBI Media, Inc. (or its permitted successor), a California corporation (the "*Company*"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and U.S. Bank National Association, a national banking association, as trustee under the Indenture referred to below (the "*Trustee*").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "*Indenture*"), dated as of December 23, 2014 providing for the issuance of 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II (the "*Notes*");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "*Subsidiary Guarantee*"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Subsidiary Guarantee and in the Indenture including, but not limited to Article 11 thereof.

3. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder, member, manager, partner or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company or any Guaranteeing Subsidiary under the Notes, any Subsidiary Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

4. GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: _______________, ____

[GUARANTEEING SUBSIDIARY]

By: ________________________________
Name:
Title:

LBI MEDIA, INC.

By: ________________________________
Name:
Title:

GUARANTORS:

LIBERMAN TELEVISION LLC
LIBERMAN BROADCASTING OF CALIFORNIA LLC
LBI RADIO LICENSE LLC
KRCA LICENSE LLC
KRCA TELEVISION LLC
EMPIRE BURBANK STUDIOS LLC
KZJL LICENSE LLC
LIBERMAN TELEVISION OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LICENSE LLC
LIBERMAN BROADCASTING OF DALLAS LLC
LIBERMAN BROADCASTING OF DALLAS LICENSE LLC
LIBERMAN TELEVISION OF DALLAS LLC
LIBERMAN TELEVISION OF DALLAS LICENSE LLC

By: ________________________________
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: ________________________________
Authorized Signatory

EXHIBIT G

FORM OF SUBSIDIARY INTERCOMPANY NOTE

INTERCOMPANY NOTE

Los Angeles, California
[_____, __] , 20[__]

FOR VALUE RECEIVED, each of the undersigned, as Maker, severally and not jointly, hereby unconditionally promises to pay to the order of each of the undersigned, as Payee, advances of principal ("**Advances**") made from time to time by such Payee to such Maker as shown on the books and records of such Maker, together with interest from the date of the making of any such Advance, whether or not such Advance is made prior to or on or after the date hereof, on the unpaid principal thereof until paid in full at the interest rate per annum equal to the per annum interest rate applicable to the Second Priority Secured Subordinated Notes.

The unpaid principal of any Advances and all accrued and unpaid interest thereon, owing by any Maker to any Payee shall be due and payable on demand of such Payee.

Whenever any payment on this Intercompany Note (this "**Note**") shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest on this Note.

Except as provided herein, Maker reserves the right to prepay the outstanding principal amount of this Note, in whole or in part, at any time and from time to time, without premium or penalty; provided that interest shall be paid on the amount prepaid to and including the date of prepayment.

This Note is one of the promissory notes contemplated by that certain Indenture, dated as of December 23, 2014 (as it may be amended, restated, supplemented or otherwise modified, the "**Indenture**"), by and among the LBI Media Inc., a California corporation, the guarantors party thereto and U.S. Bank National Association, as trustee (together with its successor and assigns, the "**Trustee**"). Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in that certain Intercreditor Agreement, dated as of December 31, 2012 (as it may be amended, restated, supplemented or otherwise modified, the "**Priority Lien Intercreditor Agreement**"), by and among the Company, the Guarantors from time to time party thereto, the Second Priority Secured Subordinated Notes Trustee, the First Priority Lien Debt Representatives and Subordinated Lien Debt Representatives from time to time party thereto party and Credit Suisse AG, Cayman Islands Branch, as collateral trustee (together with its successor and assigns, in such capacity, the "**First Priority Lien Collateral Trustee**") and administrative agent.

Each Maker shall be entitled to deem and treat any Payee, or such person who has been so identified by the transferor in writing to such Maker as the holder of this Note, as the owner and holder of this Note. This Note will, forthwith upon its issuance by the Makers, be endorsed in blank and such endorsement undated; provided, however, that, subject to the terms of the Priority Lien Intercreditor Agreement, nothing contained herein or of the endorsement hereof shall allow the Trustee to demand payment under this Note unless an Event of Default has occurred and is continuing.

In addition to, and not in limitation of, the foregoing, Makers agree, jointly and severally, to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection and enforcement of this Note.

Each Maker, for itself and any of its successors and assigns, hereby waives diligence, presentment, protest and demand, (other than as set forth herein) and notice of protest, demand (other than as set forth herein), dishonor and nonpayment of this Note.

No delay on the part of any Payee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by such Payee, of any right or remedy shall preclude any other or further exercise of any other right or remedy.

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF MAKERS AND PAYEES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD REQUIRE THE APPLICATION OF LAWS OTHER THAN THOSE OF THE STATE OF NEW YORK.

In case any provision in or obligation under this Note shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the undersigned has caused this Intercompany Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first above written.

[__________]

By: ______________________________
Name:
Title:

ALLONGE

This Allonge is attached to and made a part of that certain Intercompany Note dated as of [_____, __] , 20[__] (as it may be amended, restated or modified from time to time, the "Note") made by and between each of the undersigned, as Maker, and each of the undersigned, as Payee (each in such capacity, a "Payee"). The outstanding principal amount owing from time to time under the Note is evidenced on the books and records of the Payees, as more fully set forth in the Note.

Each of the undersigned, as a Payee, hereby assigns and transfers its rights under the Note

to the order of

____

Dated as of _______________, 20___

[Signature page follows]

[__________]

By: ______________________________
Name:
Title:

Schedule I

SCHEDULE OF GUARANTORS

The following schedule lists each Guarantor under the Indenture as of the Closing Date:

GUARANTORS:

LIBERMAN TELEVISION LLC
LIBERMAN BROADCASTING OF CALIFORNIA LLC
LBI RADIO LICENSE LLC
KRCA LICENSE LLC
KRCA TELEVISION LLC
EMPIRE BURBANK STUDIOS LLC
KZJL LICENSE LLC
LIBERMAN TELEVISION OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LLC
LIBERMAN BROADCASTING OF HOUSTON LICENSE LLC
LIBERMAN BROADCASTING OF DALLAS LLC
LIBERMAN BROADCASTING OF DALLAS LICENSE LLC
LIBERMAN TELEVISION OF DALLAS LLC
LIBERMAN TELEVISION OF DALLAS LICENSE LLC

Schedule II

SCHEDULE OF MORTGAGED PROPERTY

The following schedule lists the Mortgaged Property (other than the Burbank Studio Property, the Dallas Studio Property and the Houston Studio Property) under the Indenture as of the issue date of the Initial Notes:

1. KWHD-TV
   Colorado Tower Site
   400 County Road 158
   Elizabeth, CO
   Elbert County

2. GAP VICTORIA TOWER
   Placedo, TX
   Victoria County

3. KZMP-AM
   120 Josephine Lane
   Grand Prairie, TX

4. CONDOMINIUM
   5825 Fairdale Lane
   Houston, TX
   Harris County

5. KVNR-AM / KWIZ-FM
   Willowick Golf Course
   5th Street
   Santa Ana, CA
   Orange County

Schedule III

SCHEDULE OF LEASED REAL PROPERTY SUBJECT TO MORTGAGES

The following schedule lists the leased real property under the Indenture as of the issue date of the Initial Notes which are subject to existing mortgages in favor of the trustee under the Existing Second Lien Notes Indenture:

1. KRQB-FM Office Lease
   San Bernardino, CA

2. KBUE-FM Land
   Johnson Reservoir
   Dominguez Hills, CA

3. KETD-Denver TV Mt. Morrison Tower (Bear Creek)
   400 County Road 158
   Elizabeth, CO