

## **TRANSACTION AGREEMENTS**

The applicants are submitting with this application copies of the agreements relating to the Trust, which include the Engagement and Assignment Agreement and the form of Trust Agreement. The Trust Agreement provides for the trustee of the Trust to facilitate the sale of FM radio station WSPA-FM, Simpsonville, South Carolina (Facility ID No. 53623), in compliance with the Commission's policies governing such trusts and, pending such sale, to operate the station as an independent voice and competitor in the market.

## **ENGAGEMENT AND ASSIGNMENT AGREEMENT**

This ENGAGEMENT AND ASSIGNMENT AGREEMENT (this “Engagement Agreement”) is entered into as of March 13, 2024 by and among Audacy South Carolina, LLC, as Debtor-in-Possession, a Delaware limited liability company (“Operator DIP”), and Audacy License, LLC, as Debtor-in-Possession, a Delaware limited liability company (“Licensee DIP,” together with Operator, “Company”), and The Kalil Holding Group, LLC, an Arizona limited liability company (the “Trustee”).

### **RECITALS**

**WHEREAS**, on January 7, 2024, Audacy, Inc. (“Audacy”), the ultimate parent entity of Audacy South Carolina, LLC (“Operator”) and Audacy License, LLC (“Licensee”), and certain of Audacy’s direct and indirect wholly-owned subsidiaries (collectively, the “Debtors”), filed a series of voluntary petitions for bankruptcy with the United States Bankruptcy Court, Southern District of Texas, Houston Division (“Bankruptcy Court”) seeking relief under the provisions of Chapter 11 of the United States Bankruptcy Code to effectuate a restructuring of the debt obligations of the Debtors;

**WHEREAS**, on February 20, 2024, the Bankruptcy Court issued an order confirming the Debtors’ Joint Prepackaged Plan of Reorganization (as amended, modified, and supplemented, the “Plan”);

**WHEREAS**, Audacy, Inc., as Debtor-in-Possession (“Audacy DIP”), among other parties, expects to file a long-form application (the “Reorganization Application”) with the Federal Communications Commission (“FCC”) seeking FCC consent to the assignment and transfer of control to a reorganized Audacy, Inc. (“Reorganized Audacy”) upon the entity’s emergence from bankruptcy in accordance with the Plan (the “Reorganization Transaction”), and

**WHEREAS**, upon consummation of the Plan, Reorganized Audacy would hold an attributable interest in one more FM radio station in the Greenville-Spartanburg, South Carolina Nielsen Audio market (the “Market”) than is currently permitted by Section 73.3555(a)(1) of the FCC’s rules, because Reorganized Audacy will lose its grandfathered status in the Market resulting from changes in the Market.

**NOW, THEREFORE**, to facilitate FCC approval of the Reorganization Application, Audacy desires to divest its interest in WSPA-FM, Simpsonville, SC (Facility ID No. 53623) (the “Station”), including certain assets used in the operation of the Station (the “Station Assets”), which include the Station license and other authorizations issued by the FCC (the “FCC Licenses”), prior to or concurrently with the consummation of the Reorganization Transaction, and the Trustee is prepared to acquire the Station Assets upon FCC consent to the divestiture contemplated by this Engagement Agreement (“Divestiture Transaction,” together with the Reorganization Transaction, the “Transactions”), to market the Station Assets for sale to an independent third party (or parties), and to operate the Station for the benefit of Company in the interim, all in accordance with the terms and conditions of this Agreement and the Trust Agreement (defined below).

Accordingly, in view of the foregoing and the mutual promises and covenants contained herein, the parties agree as follows:

## **AGREEMENT**

1. The Trustee hereby agrees to serve as the trustee of a trust to be known as “The Greenville Divestiture Trust” (the “Trust”) pursuant to the terms of a trust agreement (the “Trust Agreement”) in form and substance substantially as set forth in Exhibit A hereto.

2. The parties shall use their commercially reasonable efforts to prepare their respective portions of the assignment applications on Schedule 2100 - FCC Form 314 and other required FCC filings (the “Applications”) seeking FCC consent to assign the FCC Licenses for the Station to the Trustee in connection with the Divestiture Transaction. Each party shall use its commercially reasonable efforts to file the Applications on the same date that the Reorganization Application is filed.

3. Following FCC approval of the Applications, and provided that the Company has not terminated this Engagement Agreement pursuant to Section 7, then prior to or simultaneously with the consummation of Reorganization Transaction, the Company will assign the Station Assets to the Trustee, as trustee under the Trust Agreement, and the Trustee, as trustee and on behalf of the Trust, will acquire and assume the rights, titles and interests and obligations of the Company with respect to the Station Assets as provided in the Trust Agreement. If the Company enters into any agreements to sell the Station to a third party prior to consummation of the transfer of the Station Assets to the Trust, then the Trustee shall accept such transfer subject to such agreements and shall perform the Company’s obligations thereunder, subject to the terms and conditions of the Trust Agreement.

4. The Company and the Trustee shall take all commercially reasonable actions necessary and shall cooperate with each other to prosecute, or cause to be prosecuted, the Applications at the FCC. The Company and the Trustee shall each notify the other of any communications with, documents submitted to, or documents received from the FCC with respect to the Applications.

5. In consideration of its service as trustee of the Trust, the Company shall also pay the Trustee the fee set forth on Exhibit B hereto. In addition to any reimbursement under the Trust Agreement, the Company shall reimburse the Trustee for all reasonable and documented charges and expenses (including reasonable fees, expenses and disbursements of the Trustee’s legal counsel that the Trustee incurs in the negotiation and drafting of this Engagement Agreement, the Trust Agreement, the preparation, filing and prosecution of the Applications and the consummation of the assignment of the Station Assets to the Trust), which reimbursement shall not exceed \$10,000, provided that if such reimbursement cap is met, the Company and Trustee shall mutually agree upon a subsequent reimbursement cap. Such reimbursement will be made within thirty (30) business days after the Company’s receipt of invoice(s) from the Trustee.

6. The Trustee hereby covenants to the Company that it is and will be legally, technically, financially and otherwise qualified under the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated thereunder, and otherwise, to acquire the FCC Licenses and operate the Station Assets.

7. This Engagement Agreement, other than the Company’s obligations under Section 5 hereof for reimbursement of expenses incurred before termination, may be terminated by the Company at any time prior to the consummation of the assignment of the Station Assets to the Trustee pursuant to Section 3.

8. The Trustee agrees to keep all financial and other non-public information about the Station Assets and the Trust in strict confidence and to disclose such information only to the extent necessary to obtain FCC approval of the assignment of the Station Assets to the Trust or to implement the

terms of the Trust Agreement (and in such case subject to the terms of any confidentiality requirements set forth therein) or as required by law.

9. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) if personally delivered, upon delivery or refusal of delivery, (ii) if sent by overnight courier, upon delivery or refusal of delivery, or (iii) if sent by email, upon delivery or refusal of delivery. All notices, or other communications required or permitted hereunder shall be addressed to the respective party to whom such notice, consent, waiver, or other communication relates at the following addresses:

If to the Company: Audacy South Carolina, LLC, as Debtor-in-Possession  
Audacy License, LLC, as Debtor-in-Possession  
2400 Market Street, 4<sup>th</sup> Floor  
Philadelphia, PA 19103  
Attention: Andrew P. Sutor, IV, EVP and General Counsel  
Email: [Andrew.sutor@audacy.com](mailto:Andrew.sutor@audacy.com) and [legal.notice@audacy.com](mailto:legal.notice@audacy.com)

With a copy to: Audacy South Carolina, LLC, as Debtor-in-Possession  
Audacy License, LLC, as Debtor-in-Possession  
2400 Market Street, 4<sup>th</sup> Floor  
Philadelphia, PA 19103  
Attention: Laura Berman, Vice President  
Email: [laura.berman@audacy.com](mailto:laura.berman@audacy.com)

If to the Trustee: The Kalil Holding Group, LLC  
c/o Kalil & Co., Inc.  
2960 North Swan Road, Suite 134  
Tucson, AZ 85712  
Attention: Steven R. Backerman  
Email: [sbackerman@kalilco.com](mailto:sbackerman@kalilco.com)

With a copy to: Howard Liberman  
Wilkinson Barker Knauer LLP  
1800 M Street, NW  
Suite 800 N  
Washington, DC 20036  
Email: [hliberman@wbklaw.com](mailto:hliberman@wbklaw.com)

Any party by written notice to the other parties pursuant to this section may change the address or the persons to whom notices or copies thereof shall be directed.

10. The parties agree that, prior to taking any other action, the parties shall first meet in person or by teleconference in good faith regarding any and all disputes, claims or controversies (each a “Dispute”) arising out of or relating to this Engagement Agreement. Either party may commence a mediation between the parties by providing to the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested. The parties will cooperate with one another in scheduling meetings and conferences regarding such Dispute. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose,

including impeachment, in any other proceeding involving the parties; provided, that other evidence that is otherwise admissible shall not be rendered inadmissible as a result of its use in the mediation. If the parties are unable to reach resolution of the Dispute after mediating in good faith, either party shall be entitled to seek further recourse regarding such Dispute beginning on the date that is ten (10) business days after the date on which such mediation commenced.

11. This Engagement Agreement, the rights and obligations of the parties hereto, and any Disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (not including the choice of law rules thereof). The exclusive forum for the resolution of any Disputes arising hereunder shall be the state and federal courts of Delaware, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. THE TRUSTEE AND THE COMPANY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS ENGAGEMENT AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE.

12. This Engagement Agreement may be executed in counterparts, each of which shall be deemed to be an original, and both of which together shall be deemed to be one and the same instrument. Facsimile or other electronically delivered copies of signature pages to this Engagement Agreement shall be treated as between the parties as original signatures for all purposes. This Engagement Agreement together with the Trust Agreement constitute the entire agreement between the parties relating to the transactions contemplated hereby and thereby and supersede any other agreements, whether written or oral, that may have been made or entered into by any of the parties or their affiliates. This Engagement Agreement may be amended or modified in whole or in part, only by a duly authorized agreement in writing executed by the parties which makes reference to this Engagement Agreement.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties hereto have executed this Engagement Agreement or caused this Engagement Agreement to be duly executed on their behalf as of the date and heard first herein above set forth.

**THE KALIL HOLDING GROUP, LLC**

DocuSigned by:  
By: Steven R. Backerman  
Name: Steven R. Backerman  
Title: Sole Member and Managing Member

**AUDACY SOUTH CAROLINA, LLC,  
as Debtor-in-Possession**

DocuSigned by:  
By: Andrew P. Sutor, IV  
Name: Andrew P. Sutor, IV  
Executive Vice President

**AUDACY LICENSE, LLC,  
as Debtor-in-Possession**

DocuSigned by:  
By: Andrew P. Sutor, IV  
Name: Andrew P. Sutor, IV  
Executive Vice President

## **EXHIBIT A – FORM OF TRUST AGREEMENT**

### **TRUST AGREEMENT**

THIS TRUST AGREEMENT (the “Trust Agreement”) is made as of \_\_\_\_by and among Audacy South Carolina, LLC, as Debtor-in-Possession, a Delaware limited liability company (“Operator DIP”), and Audacy License, LLC, as Debtor-in-Possession, a Delaware limited liability company (“Licensee DIP,” together with Operator, “Company”), and The Kalil Holding Group, LLC, an Arizona limited liability company (the “Trustee”).

#### **Recitals**

The Company and certain of its affiliates are parties to a joint chapter 11 prepackaged plan of reorganization (as amended, modified and supplemented from time to time, the “Plan of Reorganization”). The transfer of control contemplated by the Plan of Reorganization (the “Transfer”) may not be consummated without the prior consent of the Federal Communications Commission (the “FCC”).

The Company and its affiliates hold attributable interests in radio stations in the Greenville-Spartanburg, South Carolina Nielsen Audio market (the “Market”) that, due to changes in the Market, exceed the number permitted under the FCC’s local radio multiple ownership rules.

As a condition to approving the Transfer, the FCC may require the Company to divest its attributable interest in one FM radio station in the Market.

The Company owns the following radio station (the “Station”) located in the Market:

WSPA-FM, Simpsonville, SC (Facility ID No. 53623)

The Company desires to engage the Trustee to administer the Station, pursuant to this Trust Agreement, in such manner as to conform with applicable FCC rules and policies and thereby reduce the number of radio stations in which the Company holds attributable interests in the Market.

The Trustee has agreed to serve as a trustee for the purpose of selling the Station to a third party and, pending such sales, operating the Station.

Fred Kalil is the managing member of Kalil Management Co, LLC, an Arizona limited liability company, which owns 100 percent of Kalil & Co, Inc., an Arizona corporation, which is the sole member of the Trustee.

Accordingly, the parties agree as follows:

#### **1. Creation and Purpose of The Greenville Divestiture Trust.**

(a) Subject to the terms and conditions hereof, a trust in respect of the Station Assets (as defined below) is hereby created and established (“The Greenville Divestiture Trust”), and the Trustee hereby agrees to serve as trustee hereunder.

(b) The purpose of The Greenville Divestiture Trust is to vest legal title and control of the Station Assets in the Trustee for the purpose of facilitating a sale of the Station by the Trustee and administering the operations of the Station pending such sale, and the provisions of this Trust Agreement shall be interpreted to effectuate such purpose.

(c) The Greenville Divestiture Trust shall be irrevocable as to the Station held by the Trustee until:

(i) such time as (x) the Trustee causes such Station to be sold to a third party buyer pursuant to a separate written agreement and with the prior consent of the FCC or (y) the Company or one of its affiliates divests itself of sufficient attributable interests, or there is a change permitting the Company or one of its affiliates to have an attributable interest in the Station under the FCC's rules, in which case the Trustee may, subject to any required consent of the FCC, promptly assign the FCC Licenses (as defined below) and other Station Assets (as defined below) relating to such Station back to the Company or its designated subsidiary; and

(ii) all obligations of the Trustee under this Agreement and any agreement to sell the Station Assets to third party buyers have been fully performed or waived.

## **2. Assignment and Management of Station Assets.**

(a) On the Closing Date (as defined in herein), the Company shall convey, transfer, assign, and deliver to Trustee, and Trustee shall acquire and assume from the Company, all of the Company's right, title and interest in and to the following assets held by the Company and used in the operation of the Station (the "Station Assets"):

(i) if the Station is subject to an Existing Sale Contract (as defined below), the assets to be conveyed to the buyer under such agreement; or

(ii) if the Station is not subject to an Existing Sales Contract, the following assets:

(A) all licenses and other authorizations issued by the FCC (the "FCC Licenses") used solely in the operation of the Station, including the Station's call letters;

(B) all equipment, furniture, fixtures and other items of tangible personal property used solely in the operation of the Station (the "Personal Property");

(C) all real property owned or leased by the Company and used solely in the operation of the Station (the "Real Property");

(D) except as otherwise expressly set forth herein, all documents in the Station's public inspection files, all FCC logs, and all other records pertaining to the Station;



(E) all technical information and engineering data, news and advertising studies, consulting reports, and marketing and demographic data in the possession of the Company and used solely in the operation of the Station;

(F) all accounts receivable arising from operation of the Station (including any appropriate apportionment of accounts receivable generated from the joint sale of time on the Station and one or more other stations owned and operated by the Company in the Market) (collectively, the "Accounts Receivable");

(G) all owned computer software and programs used solely in the operation of the Station along with all licenses for any computer software and programs used solely in the operation of the Station;

(H) all of the Company's rights and obligations in contracts, agreements, leases, licenses, commitments and understandings, written or oral, related solely to the operation of the Station (collectively, the "Assumed Contracts"), but with the understanding that this Trust Agreement shall not be an Assumed Contract;

(I) all of the Company's right, title and interest in and to all transferable municipal, state and federal permits, licenses, waivers and authorizations (other than the FCC Licenses), including any renewals thereof or any pending application therefore, used solely in the operation of the Station;

(J) the intellectual property of the Company used solely in the operation of the Station, but excluding any intellectual property included in the Excluded Assets (the "Station IP");

(K) all prepaid expenses of the Company relating solely to the Station and the deposits relating solely to the Station; and

(L) all of the Company's rights under manufacturers' and vendors' warranties relating to items included in the Station Assets and all similar rights against third parties relating to items included in the Station Assets to the extent contractually assignable.

(b) Notwithstanding Section 2(a) hereof, the Company shall not convey, transfer, assign, and deliver, and the Trustee shall not acquire and assume, any of the following assets (the "Excluded Assets"), all of which shall be retained by the Company:

(i) any and all assets used or useful in the operation of other radio stations owned by the Company in the Market, and all assets of the Company other than those assets of the Company which are used solely in the operation of the Station;

(ii) books and records that pertain to the organization, existence or capitalization of the Company or the Company's operation of the Station, except as expressly included in Section 2(a) of this Agreement;

(iii) duplicate copies of all books and records of the Station

which are expressly included in Section 2(a), but only to the extent necessary to enable the Company to file tax returns and reports;

(iv) all claims, rights and interests of the Company in and to any refunds for taxes paid in respect of the Station for periods ending on or prior to the Closing Date;

(v) all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and any other employee benefit plan or arrangement;

(vi) all of the Company's rights and obligations under or interest in contracts, agreements, leases, licenses, commitments and understandings, written or oral, except for the Assumed Contracts;

(vii) all causes of action arising prior to the Closing Date;

(viii) except as expressly set forth herein, insurance policies relating to the Station and the rights to proceeds thereunder; provided, that in the case of property and casualty insurance, Trustee shall be entitled to use such insurance proceeds to remediate any damage or destruction to the Station Assets; and

(ix) all the Company's intellectual property other than the Station IP.

(c) To the extent that any of the Excluded Assets are also used or useful in the conduct of the business and operation of the Station as of the Closing Date (the "Shared Assets"), then, during the term of this Trust Agreement, the Company shall make such arrangements on or before the Closing as are reasonably necessary to provide for the Trustee's continued use of the Shared Assets by the Station without any cost to the Trustee.

(d) Subject to the provisions of Section 6(d) hereof, the Trustee shall assume and be solely responsible for the payment, performance and discharge of all of the Company's liabilities, obligations, and duties under or in respect of the FCC Licenses, the Assumed Contracts, and the other Station Assets after the Closing (the "Station Liabilities"). Except as expressly provided in this Trust Agreement, the Trustee shall not be liable for and shall not assume any liabilities, obligations, or duties of the Company (whether known or unknown, matured or unmatured, or fixed or contingent).

### **3. Closing.**

(a) The consummation of the assignment of the Station Assets to, and the assumption of the Station Liabilities by, the Trustee (the "Closing") shall occur on a date (the "Closing Date") that is the same date for the consummation of the Transfer. Unless the parties otherwise agree, the Closing shall be held at the same location as the consummation of the Transfer.

(b) The obligations of the Company and the Trustee to consummate the assignment of the Station Assets to the Trustee shall be subject to the prior satisfaction or waiver of the following conditions:

(i) there shall not be in effect any statute, government regulation, or order by a court or governmental authority of competent jurisdiction which restrains or prohibits the transactions contemplated hereby;

(ii) the FCC shall have granted its consent to the assignment of the FCC Licenses to the Trustee without imposing any condition materially adverse to the Trustee, the Company or to the operation of the Station; and

(iii) the Company shall have obtained all material third party consents required by the Assumed Contracts to enable the Trustee to enjoy all of the rights and privileges, and be bound by all of the obligations, under such Assumed Contracts, but, if any required third party consent has not been obtained, this condition shall be satisfied if the Company makes other arrangements that would enable the Trustee to obtain the benefits of such Assumed Contract.

#### **4. Disposition of Station Assets by Trustee.**

(a) Except as otherwise expressly set forth in this Trust Agreement, the Trustee shall have the power, authority and obligation to consummate a sale of the Station as soon as reasonably practicable after the Closing pursuant to the conditions contained herein and at a price that renders to the Company the maximum consideration reasonably attainable for the Station Assets subject to such sale, payable in its entirety at the closing of each such sale in cash.

(b) The Trustee shall have the power and authority to hire any attorneys or other agents, including, but not limited to, media brokers, reasonably necessary in the judgment of the Trustee to assist in the sale of the Station Assets. Such professionals or agents shall be accountable solely to the Trustee.

(c) To the extent consistent with the Trustee's obligations hereunder, the Trustee shall use its good faith and commercially reasonable efforts to enter into a binding agreement or agreements (each, a "Sale Agreement") in a form consistent with standard practices in the industry for similar transactions. The Trustee may request the Company to provide such consents, information, representations, warranties and indemnifications regarding the Station Assets as may be necessary or appropriate to effectuate a sale, and the Company shall provide such consents, information, representations, warranties and indemnifications to the extent reasonable.

(d) Notwithstanding any other provision to the contrary in this Trust Agreement:

(i) the Company shall have the right (w) to establish a minimum purchase price for the sale of the Station as set forth in a written notice to the Trustee within thirty (30) days of the date of this Agreement, which shall be paid by wire transfer of immediately available federal funds at the closing, (x) to require that each third party buyer assume all of the liabilities of the Station Assets associated with the Station it is purchasing accruing after the consummation of such sale, and (y) to establish a date by which any sale must be consummated; and

(ii) if prior to the execution of a Sale Agreement for the Station the Company notifies the Trustee that the Company or an affiliate may hold the FCC Licenses for the Station consistent with FCC rules and policies, then the Trustee may request FCC consent to assign such licenses to the Company and upon such consent assign and convey to the Company such licenses and the other Station Assets for such Station.

(e) The Trustee shall submit and diligently prosecute appropriate applications to such governmental authorities as any such Sale Agreement requires, including to

the FCC requesting consent to assign the FCC Licenses.

(f) In the event that the Company has entered into an agreement to sell the Station to an unaffiliated third party (an "Existing Sale Contract") but such sale has not been consummated prior to the Closing, the Company shall assign its rights under such Existing Sale Contract to the Trustee at the Closing and the Trustee shall assume the obligations of the Company thereunder.

(g) The Trustee shall maintain complete records of all efforts undertaken to sell the Station Assets until it consummates the sale of all of the Station Assets. The Trustee shall file regular reports with the Company setting forth the Trustee's efforts to sell the Station Assets as contemplated by this Trust Agreement. Such reports shall be designated confidential, shall include the name, address and telephone number of each person who, during the preceding time period, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Station Assets, and shall describe in detail each contact with any such person during that period. If the Trustee has failed to consummate the sale of the Station within six (6) months from the Closing Date, the Trustee shall promptly provide the Company with a confidential report setting forth in reasonable detail (i) any supplement to the prior reports concerning the Trustee's efforts to sell the Station Assets; (ii) the reasons, in the Trustee's judgment, why the required sales have not been consummated; and (iii) the Trustee's recommendations for consummating the required sales without further delay. The Trustee shall also file with the FCC such reports setting forth the Trustee's efforts to sell the Station Assets as the FCC may direct.

(h) At least five (5) business days prior to the execution of a Sale Agreement, the Trustee shall deliver to the Company a copy of such agreement, together with all attachments thereto. The Trustee shall notify the Company immediately of the parties' execution of the Sale Agreement and shall, within two (2) calendar days after its execution, provide a copy of the executed Sale Agreement and all related agreements (such as an escrow agreement), along with all schedules, exhibits, and other attachments thereto.

## **5. Management and Other Actions by Trustee.**

(a) During the term of this Trust Agreement, the right to manage the business of the Station held by the Trustee shall be the sole obligation of the Trustee and shall be subject to the following conditions:

(i) The Trustee shall have absolute and complete control over the operations of the Station pending the sale of the Station Assets or other termination of this Agreement in accordance with its terms, and no person other than the Trustee or managers designated by the Trustee shall have any authority with respect to the management of the Station or the Station Assets relating to the Station for so long as this Trust Agreement is in effect. The Trustee shall have no beneficial interest in the Station Assets.

(ii) The Trustee shall operate the Station as a separate, independent, ongoing, economically viable and active competitor to the Company, and the Trustee shall ensure that the management of the Station is kept separate and apart from, and not influenced by, the Company. The Trustee shall use all reasonable efforts to maintain and increase sales of advertising time and to maintain promotional advertising, sales, marketing and merchandising support of the Station at levels equal to or greater than those existing during the period prior to Closing.

(iii) The Trustee shall conduct the operations of the Station in accordance with The Greenville Divestiture Trust's duties as a licensee of the FCC. The Trustee shall provide the Company or its designee with budgets for the Station, which shall be prepared in a manner and within such time periods as are consistent with the Company's practice for the Station. Within fifteen (15) days of the end of each calendar month the Trustee shall provide to the Company or its designee monthly financial reports consisting of unaudited balance sheets of the Station and related statements of operations and cash flows for the month and the three-month period then ended and any other financial information reasonably requested by the Company so that the Company can meet its financial reporting requirements to its accountants, lenders, the Securities and Exchange Commission and any other authorities of competent jurisdiction.

(iv) Any employee hired by the Trustee who is not employed at the Station as of the Closing Date shall not be a shareholder, member, partner, director, officer, or employee of the Company or its affiliates, and may not have any business and familial relationship (as defined in FCC rules and policies) with the Company or with any member, shareholder, partner, director, officer, or employee of the Company or its affiliates.

(v) The Trustee shall cause any employee hired by it (including any person previously employed by the Company whom the Trustee elects to retain) to execute and deliver to the Trustee an agreement, in form and substance acceptable to the Trustee, pursuant to which such employee agrees to comply with the rules, regulations and policies of the FCC, including without limitation all rules, regulations and policies governing communications regarding Station operations among such employee and the Company or its members, shareholders, partners, officers, directors, employees, and affiliates.

(b) After the Closing, the Trustee will be entitled to hire those individuals employed exclusively by the Station (the "Station Employees") on the same terms and conditions as such employees were employed by the Company; provided that the Trustee is not required to provide such employees with any medical, pension, insurance or other employee benefit plans, programs or arrangements. To the extent the Company provides the Station Employees with group medical, group insurance and/or pension plan benefits on or after the Closing Date through plans maintained by the Company for its employees, the Trustee shall, within such reasonable time as deemed necessary or appropriate by the Company, provide to the Company or its designee such reports, data or other information as the Company or its designee shall require for purposes of administering such plans or satisfying any reporting or other requirements as may be required by law or any governmental agency. In no event shall the Trustee be responsible for any liabilities or obligations relating to or arising under any of the Company's employee benefit plans, programs or arrangements, whether such liabilities or obligations arise, or relate to a period, prior or subsequent to the Closing Date of this Trust Agreement, except for liabilities or obligations caused by Trustee's gross negligence, malfeasance, or material breach of this Trust Agreement. All liabilities or obligations that relate to or arise under any of the Company's employee benefit plans, programs or arrangements, except for liabilities or obligations caused by Trustee's gross negligence, malfeasance, or material breach of this Trust Agreement, shall remain the sole and complete responsibility of the Company and shall be subject to the indemnification provided herein or in Section 6(d) of this Agreement. The Trustee shall terminate the employment of each Station Employee upon the sale of the Station or the termination of this Trust Agreement, as applicable; provided, that the Company shall indemnify the Trustee for any and all expenses and other liabilities incurred thereby, including severance payments, COBRA obligations, and accrued vacations.

(c) The Trustee shall not offer employment to or hire any of the employees of the Company whose employment relates in whole or in part to the business and operations of other stations owned and operated by the Company or its affiliates in the Market (the "Cluster Employees"). To the extent that any of the Cluster Employees provide services that are reasonably necessary for the conduct of the business and operation of the Station as of the date of this Trust Agreement (such services, the "Shared Employee Services"), then the Company shall make such Shared Employee Services available to the Trustee in conjunction with Trustee's operation of the Station during the term of this Trust Agreement. With respect to those Cluster Employees who perform Shared Employee Services, (i) when performing services for a Station, such employees shall report to and be supervised solely by the Trustee, (ii) when performing services for other radio stations owned by the Company, such employees shall report to and be supervised solely by the Company, and (iii) such employees shall be given instructions by the parties to conduct themselves accordingly. Nothing herein creates an employment relationship between the Trustee and employees of the Company.

(d) Except as expressly provided in this Trust Agreement, the Trustee shall not, in its capacity as trustee: (i) incur any debt or guaranty obligation in favor of any other person, (ii) engage in any business other than as necessary in the Trustee's reasonable opinion to meet its fiduciary duties with respect to the operation of the Station, or (iii) enter into any agreement to do so, or enter into any merger, consolidation, or similar transaction or engage in any reclassification or similar transaction.

(e) The Trustee shall have exclusive control over the operation and management of the Station, shall conduct the operations of the Station in the ordinary course of business consistent with past operations of the Station, and, to the extent possible, shall maintain the status quo of such operations as currently conducted with a view to maximizing the value to be received by the Company consistent with the Trustee's duties as a licensee of the FCC. Without limiting the generality of the foregoing, during the term of this Trust Agreement, except as contemplated by this Trust Agreement, the Trustee shall not:

(i) fail to use all commercially reasonable efforts to preserve intact the present business organization of the Station and the Station's relationships with its customers, suppliers and others having business dealings with it;

(ii) fail to use commercially reasonable efforts to maintain the Station Assets in their current condition, except for ordinary wear and tear;

(iii) except for amendments of employment agreements in the ordinary course of business consistent with past practices of the Station, materially amend any material contract or default in any material respect (or take or omit to take any action that, with or without the giving of notice or passage of time, would constitute a material default) under any material contract or, except in the ordinary course of business consistent with past practices of the Station, enter into any new material contract;

(iv) sell (whether by merger, consolidation, or the sale of an equity interest or assets), lease, or dispose of the Station Assets except pursuant to an agreement to sell the Station Assets (including an Existing Sale Contract) which is permitted under this Trust Agreement;

(v) allow the imposition of any security interest, mortgage, easement, right of way, covenant, restriction, right of first refusal, or other encumbrance of

any kind or nature on the Station Assets;

(vi) enter into, or enter into negotiations or discussions with any person other than a purchaser under a Sale Agreement with respect to, any local marketing agreement, time brokerage agreement, joint sales agreement, or any other similar agreement;

(vii) fail to use commercially reasonable efforts to maintain the ability of the Station to operate at maximum power and full coverage at all times; or

(viii) agree to or make any commitment, orally or in writing, to do any of the foregoing or to take any actions prohibited by this Trust Agreement.

(f) The Trustee shall have any and all such further powers and shall take such further actions (including, but not limited to, taking legal action) as may be necessary to fulfill the Trustee's obligations under this Trust Agreement.

## **6. Financial Matters.**

(a) In consideration of its services hereunder, the Trustee shall be entitled to receive the fee set forth in the Engagement Agreement between the Company and the Trustee.

(b) To the extent that the Station generates cash accumulations in excess of the Station's actual and projected expenses as determined by the Trustee in its sole discretion ("Excess Cash Flow"), such Excess Cash Flow shall be remitted to the Company from time to time as the Trustee shall determine.

(c) To the extent that the Trustee determines in its sole discretion that the operation of the Station consistent with past practice, or that payment of charges and other expenses under this Trust Agreement, requires funds in excess of the actual or expected cash flow of the Station (as diminished by any prior remittances of Excess Cash Flow pursuant to Section 6(b) of this Agreement), the Company shall provide to the Trustee a line of credit in an amount sufficient to cover all such expenses, which line of credit shall be repayable only from Excess Cash Flow. The Company shall not communicate directly or indirectly with the Trustee about, or participate with the Trustee in making, any decision to draw on the line of credit or as to when or how the funds will be used. The Trustee may draw on the line of credit by making a written draft for a specific amount of funds or may make a request for checks to cover expenses incurred with respect to the operation of the Station. The Company shall, within ten (10) calendar days of receipt of such draft or request, provide such funds or checks to the Trustee in the amounts requested.

(d) The Company shall reimburse, indemnify, and hold harmless the Trustee and the Member against all claims, costs of defense of claims (including reasonable attorneys' fees and disbursements and taxes related to The Greenville Divestiture Trust, the operation of the Station, or the Station Assets), expenses and liabilities incurred by the Trustee in connection with the performance of its duties and the enforcement of its rights under this Trust Agreement, except those incurred as a result of the Trustee's gross negligence, intentional wrongful action, willful misconduct, or material breach of this Trust Agreement. The Trustee shall give prompt written notice to the Company of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the Trustee and/or the Member, but a failure to give or a delay in giving such notice shall not affect Trustee's or Member's right to indemnification and the

Company's obligation to indemnify as set forth in this Trust Agreement, except to the extent the Company's ability to remedy, contest, defend or settle with respect to such claim is thereby prejudiced. The Company shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to any such claim. The Trustee and/or Member shall not settle or compromise any such claim or consent to entry of any judgment without the Company's written consent. Payments to the Trustee and/or Member pursuant to this Section 6(d) shall be made within 20 days of receipt of an invoice or bill from the Trustee and/or Member together with appropriate supporting documentation. The obligations of the Company to the Trustee under this Section 6(d) shall survive the resignation, death or incapacity of the Trustee and/or Member and the termination of this Trust Agreement.

(e) Prior to the Closing Date, the Company shall obtain policies of insurance, or procure the amendment of or riders to existing policies of insurance, to provide insurance coverage related to the Station Assets under the umbrella or other policies currently held or maintained by the Company. Company may also elect to self-insure the Trustee for the Station Assets and operations of the Station. All such policies shall name the Trustee as an additional insured and shall not be canceled or amended without thirty (30) days prior written notice to the Trustee. The Trustee is hereby authorized to make payment of all premiums, and pay all deductibles and excesses, related to such policies of insurance in the same manner as any other expense in the ordinary course of business of the Station.

**7. Limitations on the Company.** The Company shall not take any action which would reasonably jeopardize the Trustee's sale of the Station Assets but shall use commercially reasonable efforts to assist the Trustee in accomplishing the required sales, including its full cooperation in obtaining all regulatory approvals. The Trustee and the Company shall permit prospective purchasers of the Station Assets to have access to personnel of the Station, to make such inspection of the Station's physical facilities as may be reasonable, and to inspect any and all financial, operational and other documents and information as may be customary and relevant to the sales of the Station Assets. To facilitate the sales of the Station Assets, the Trustee may request in writing from the Company such reasonable and customary representations and warranties, consents, information, covenants and indemnities (which may be directly provided by the Company to a buyer, as negotiated and determined by the Trustee) regarding such sales, and such requests shall not be unreasonably denied.

**8. Trustee Responsibilities.**

(a) The Trustee shall devote such time to the operation of the Station and the administration of The Greenville Divestiture Trust as is necessary, appropriate, or advisable in the fulfillment of the Trustee's obligations and the exercise of its fiduciary duties hereunder.

(b) The Trustee is expressly authorized to incur and pay from the Station Assets held in trust all reasonable expenses, disbursements, and advances incurred or made by the Trustee in the performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel), which the Trustee in good faith deems necessary, proper, or advisable in the performance of its duties under this Trust Agreement.

(c) The Trustee shall be entitled to rely in good faith upon any order,



judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. The Trustee may act in reliance upon any instrument or signature believed by it or its Member in good faith to be genuine and may assume that any person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. The Trustee may act pursuant to the advice of counsel with respect to any matter relating to this Trust Agreement and shall not be liable for any action taken or omitted in good faith in accordance with such advice. The Trustee's counsel and advisors shall be independent of, and have no relationship with, the Company.

(d) Neither the Trustee nor its Member(s) nor any successor trustee designated pursuant to Section 9 of this Agreement shall be a cognizable stockholder, member, partner, officer, employee, or director, of the Company or its affiliates, and may not have any business or familial relationship (as defined in the FCC rules and policies) with any officer, employee, director, member, cognizable stockholder, partner or affiliate of the Company. Neither the Trustee nor its Member shall serve as an officer, employee, or director of the Company or its affiliates, or its successor companies.

## **9. Replacement of Trustee.**

(a) The rights and duties of the Trustee hereunder shall terminate upon the Trustee's dissolution or insolvency or upon the death or incapacity of all of its Member(s), and no interest in a Sale Agreement or the Station Assets directly or indirectly held by the Trustee nor any of the rights and duties of a dissolved or insolvent Trustee or its deceased or incapacitated surviving Member(s) may be transferred by will, devise, succession or in any manner except as provided in this Trust Agreement. Notwithstanding the foregoing, the heirs, administrators, executors or other representatives of an incapacitated or deceased Member of the Trustee shall have the obligation to assign the Trustee's rights and obligation under a Sale Agreement or any Existing Sale Contract to one or more successor trustees designated by the Company pursuant to this Section 9.

(b) The Trustee may resign by giving not less than 60 days prior written notice of resignation to the Company; provided, that no such resignation shall become effective unless and until a successor trustee has been appointed, such appointment has received all necessary consents from the FCC, and any order granting such approval has become a final order with respect to which no action, request for stay, petition for hearing or reconsideration, or appeal has expired. The Company shall cooperate fully in the prompt appointment of a successor trustee and shall not unreasonably interfere with or delay the effectiveness of such resignation.

(c) In the event of the Trustee's resignation, the dissolution or insolvency of the Trustee, or the death or incapacity of the Member of the Trustee, the Trustee shall be succeeded, subject to such prior approval of the FCC as may be required, by a successor trustee chosen by the Company. Any successor trustee shall succeed to all of the rights and obligations of the Trustee replaced hereunder and shall be deemed the Trustee for purposes of this Trust Agreement upon execution by such successor Trustee of a counterpart of this Trust Agreement (with such modifications as are necessary to effect such succession).

## **10. Termination and Distribution of Proceeds from Sale of Station Assets.**

(a) With respect to the Station, this Trust Agreement and The Greenville Divestiture Trust shall terminate automatically, and be of no further force and effect, upon the consummation of the sale of the Station to a third party and/or assignment of the Station to the Company, in each case as contemplated by this Trust Agreement.

(b) Upon such termination resulting from the consummation of a sale of the Station Assets, the Trustee shall receive the cash that is distributed in respect of such Station Assets, and, after paying (or reserving for payment thereof) any reasonable expenses or liabilities incurred pursuant to this Trust Agreement, shall promptly distribute or cause the distribution of such cash and any remaining Station Assets relating to the Station (such as Accounts Receivable and Station IP) to the Company or its designee.

## **11. Communications.**

(a) Except as otherwise expressly provided in this Trust Agreement, during the term of this Trust Agreement, neither the Company nor any of its officers, directors, employees, stockholders, members, partners or affiliates shall communicate with the Trustee regarding the operation or management of the Station.

(b) The Company and the Trustee may communicate with each other (i) concerning the mechanics of implementing any sale of Station Assets (but not concerning the management and operation of the Station) and (ii) to provide reports to the Company concerning the implementation of The Greenville Divestiture Trust. Any communications permitted by this section shall be evidenced in writing and shall be retained by the Trustee for inspection upon request by the FCC.

(c) All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, upon delivery or refusal of delivery, if sent by overnight courier, upon delivery or refusal of delivery, or if sent by email, upon delivery or refusal of delivery. All notices, or other communications required or permitted hereunder shall be addressed to the respective party to whom such notice, consent, waiver, or other communication relates at the following addresses, and facsimile numbers:

If to the Company:

Audacy South Carolina, LLC, as Debtor-in-Possession  
Audacy License, LLC, as Debtor-in-Possession  
2400 Market Street, 4<sup>th</sup> Floor  
Philadelphia, PA 19103  
Attention: Andrew P. Sutor, IV, EVP and General Counsel  
Email: [Andrew.sutor@audacy.com](mailto:Andrew.sutor@audacy.com) and [legal.notice@audacy.com](mailto:legal.notice@audacy.com)

With a copy to:

Audacy South Carolina, LLC, as Debtor-in-Possession  
Audacy License, LLC, as Debtor-in-Possession  
2400 Market Street, 4<sup>th</sup> Floor  
Philadelphia, PA 19103  
Attention: Laura Berman, Vice President  
Email: [laura.berman@audacy.com](mailto:laura.berman@audacy.com)



corresponding sections, subsections, annexes, exhibits, schedules, and other subdivisions of this Trust Agreement. The words “this Trust Agreement,” “herein,” “hereby,” “hereunder,” “hereof,” and words of similar import, refer to this Trust Agreement as a whole and not to any particular subdivision unless expressly so limited. The word “or” is not exclusive, and the word “including” (in its various forms) means “including without limitation.” Pronouns in the masculine, feminine, or neuter genders shall be construed to state and include any other gender.

(e) This Trust Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Delaware (not including the choice of law rules thereof). TRUSTEE AND THE COMPANY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS TRUST AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE.

(f) This Trust Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single instrument, and shall become effective when one or more counterparts have been signed and delivered by each of the parties hereto, it being understood that all parties need not sign the same counterpart. Facsimile or other electronic signatures are sufficient to make this Trust Agreement effective.

(g) The Greenville Divestiture Trust shall be a “grantor trust” pursuant to Sections 671 through 678 of the United States Internal Revenue Code. The parties hereto acknowledge and agree that:

(i) the assets held by The Greenville Divestiture Trust shall be included as assets of the Company for federal, state and local tax purposes and accounting purposes; and

(ii) income and losses of The Greenville Divestiture Trust will be treated as income and losses of the Company for federal, state and local tax purposes and accounting purposes.

(h) The Trustee hereby represents and warrants to the Company that it is and shall continue to be during the term of this Trust Agreement legally qualified to serve as the FCC licensee of the Station and owner of the Station Assets.

*[remainder of page intentionally left blank; signature page follows]*

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

**THE KALIL HOLDING GROUP, LLC**

By: \_\_\_\_\_  
Name:  
Title:

**AUDACY SOUTH CAROLINA, LLC,  
as Debtor-in-Possession**

By: \_\_\_\_\_  
Andrew P. Sutor, IV  
Executive Vice President

**AUDACY LICENSE, LLC,  
as Debtor-in-Possession**

By: \_\_\_\_\_  
Andrew P. Sutor, IV  
Executive Vice President

**EXHIBIT B – TRUSTEE FEE**

In consideration for the Trustee's services, the Company shall pay the Trustee as follows: upon entry into this Engagement Agreement, the Company shall pay a fee of \$10,000. Commencing upon consummation of the assignment of the FCC Licenses to the Trust and thereafter during the period the Trustee serves as Trustee under the Trust Agreement and holds the FCC Licenses thereunder, the Company shall pay a monthly fee of \$1,000.