

SHARED SERVICES AGREEMENT

THIS SHARED SERVICES AGREEMENT (“Agreement”) is entered into as of _____, 2004 by and among **SAGAMOREHILL OF MINNESOTA LLC**, a Delaware limited liability company (“Sagamore”), **SAGAMOREHILL OF MINNESOTA LICENSES, LLC**, a Delaware limited liability company (“SHM Licenses”; Sagamore and SHM Licenses are collectively referred to as “SHM”), **QUINCY NEWSPAPERS, INC.**, an Illinois corporation (“QNI”), and **KTTC TELEVISION, INC.**, a Delaware corporation (“QNI Sub”; QNI and QNI Sub are collectively referred to as “Quincy”). SHM and Quincy are referred to collectively as the “Parties.”

WHEREAS, SHM Licenses is the licensee of, and Sagamore is the operator of, television station KXLT-TV, Rochester, Minnesota (“KXLT”) and QNI Sub is the owner and licensee of television station KTTC(TV), Rochester, Minnesota (“KTTC”) and QNI and its affiliates own and operate other television stations; and

WHEREAS, KXLT and KTTC are collectively referred to as the “Stations.”

NOW, THEREFORE, for their mutual benefit and in order to realize cost efficiencies made available through combining certain aspects of their operations, Quincy and SHM agree as follows:

1. SHARING ARRANGEMENTS GENERALLY. From time to time, Quincy and SHM may agree to share the costs of certain services and procurements which they individually require in connection with the operation of the Stations. Such sharing arrangements may take the form of the performance of certain functions relating to the operation of one Station by employees of the operator of the other Station (subject in all events to the supervision and control of personnel of the operator of the Station to which such functions relate), or may be otherwise structured, and will be governed by terms and conditions upon which Quincy and SHM may agree from time to time. Such sharing arrangements may include the co-location of the studio, non-managerial administrative and/or master control and technical facilities of the Stations and the sharing of grounds keeping, maintenance, security and other services relating to those facilities. In performing services under any such sharing arrangement (including those described in Section 4), personnel of one Party will be afforded access to, and have the right to utilize, without charge, assets and properties of the other Party to the extent necessary or desirable in the performance of such services.

2. CERTAIN SERVICES NOT TO BE SHARED.

(a) Senior Management and Personnel. At all times, each Station will retain its own independent management (including general manager). Such personnel will (i) be retained solely by the Party which is, or is affiliated with, the FCC licensee of such Station and will report solely to such Party, and (ii) have no involvement or responsibility in respect of the operation of the other Station.

(b) Programming and Sales. Each Party will maintain for the Station operated by it separate managerial and other personnel to carry out the selection and procurement

of programming for such Station, and in no event will the Parties or the Stations share services, personnel, or information pertaining to such matters, except as set forth in Section 4(f) below. In addition, SHM and QNI have entered into an Agreement for the Sale of Commercial Time of even date herewith ("JSA") pursuant to which Quincy has the right to sell advertising and commercial time on KXLT.

3. GENERAL PRINCIPLES GOVERNING SHARING ARRANGEMENTS.

All arrangements contemplated by this Agreement will be subject to, and are intended to comply in all respects with, the Communications Act of 1934, as amended, the rules, regulations and policies of the Federal Communications Commission (the "FCC"), as in effect from time to time (the "FCC Rules and Regulations"), and all other applicable laws. The arrangements made pursuant to this Agreement will not be deemed to constitute "joint sales," "program services," "time brokerage," "local marketing," or similar arrangements or a partnership, joint venture, or agency relationship between the Parties or the Stations, and no such arrangement will be deemed to give either Party any right to control the policies, operations, management or any other matter relating to the Station operated by the other Party.

4. CERTAIN SPECIFIC SHARING ARRANGEMENTS. In furtherance of the general agreements set forth in Sections 1 through 3 above, Quincy and SHM have agreed as follows with respect to the sharing of certain services:

(a) **Execution of Promotional Policies.** Subject to direction and control by SHM management personnel, Quincy personnel will implement and execute the promotional policy for KXLT. Such implementation and execution will include such tasks as graphic design, production and media placement.

(b) **Continuity and Traffic Support.** Subject to direction and control by management personnel of SHM, Quincy personnel may carry out back-office and non-managerial services and continuity and such other tasks necessary to support traffic functions of KXLT.

(c) **Master Control.** Master control operators and related employees of Quincy may carry out master control functions for KXLT subject to the direction and control of SHM.

(d) **Technical Facilities Maintenance.** Subject to direction and control by SHM management personnel, Quincy personnel will maintain and repair (as needed) the technical facilities of KXLT.

(e) **Tower and Transmitter Building Space; Office and Studio Space.** Quincy will provide to SHM sufficient space on its tower and in its transmitter building for KXLT's antenna, transmitting and STL equipment and will provide sufficient office and studio space for KXLT pursuant to separate lease agreements in customary form, and otherwise in form and substance reasonably satisfactory to the parties (the "Leases").

(f) **Newscast Production.** Subject to the supervision and control of SHM, Quincy will, utilizing both its personnel and facilities, provide live-feed, newscasts for broadcast on KXLT; provided, however, that such newscasts shall not comprise more than fifteen percent

(15%) (by duration) of the programming broadcast on KXLT during any broadcast week. Quincy shall use reasonable efforts to provide such newscasts that are of a quality appropriate to KXLT's market. Such newscasts shall be produced exclusively for broadcast on KXLT, but may include non-exclusive videotape, graphics, news stories, field reports and other material. Notwithstanding the foregoing, Quincy expressly acknowledges and agrees that SHM, as licensee of KXLT, retains the right to interrupt, preempt or delete all or any portion of the newscasts to be provided by QNI.

(g) **Services Fee.** In consideration for the services to be provided to KXLT by Quincy pursuant to this Agreement, SHM will pay to Quincy the fee (the "Services Fee") described in this Section 4(g).

(i) **Amount.** Subject to the remaining provisions of this Section 4(g), the amount of the Services Fee will be [\$_____] per month.

(ii) **Payment Terms.** The Services Fee will be payable monthly, in arrears, from and after the month during which this Agreement is executed, and will be prorated on a daily basis for first and last months during which the sharing arrangements described in Sections 4(a) through 4(f) are in effect.

(h) **Service Standards.** Quincy shall perform the services required hereunder in a manner that complies in all material respects with the Act, all other applicable laws and regulations and generally accepted broadcast industry standards.

5. INDEMNIFICATION; INSURANCE.

(a) **By QNI.** Quincy shall indemnify and hold SHM and its members, agents and employees harmless against any and all liability for (i) libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to the newscasts furnished by Quincy for broadcast on KXLT, along with any fine or forfeiture imposed by the FCC because of the content of such material or the conduct of Quincy or its employees, and (ii) any breach of this Agreement by QNI.

(b) **By SHM.** SHM shall indemnify and hold Quincy and its officers, directors, stockholders, agents and employees harmless against any and all liability for (i) libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to programming or other material furnished by SHM for broadcast on KXLT, along with any fine or forfeiture imposed by the FCC because of the content of such material or the conduct of SHM or its employees, and (ii) any breach of this Agreement by SHM.

(c) **General.** Indemnification shall include all liability, costs and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any termination of this Agreement. The obligation of each party to indemnify is conditioned on the receipt of notice from the party making the claim for

indemnification in time to allow the defending party to timely defend against the claim and upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense, subject to the indemnified party's reasonable approval; *provided, however*, that no claim may be settled by an indemnifying party without the consent of the indemnified party, and provided further that, if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amount the claimant agreed to accept in settlement.

(d) **Insurance.** Quincy and SHM shall each carry general public liability and errors and omissions insurance with reputable companies covering their activities under this Agreement, in an amount not less than Two Million Dollars (\$2,000,000), and shall name the other party as an additional insured on such insurance policy.

6. **FORCE MAJEURE.** If a *force majeure* event such as a strike, labor dispute, fire, flood or other act of God, failure or delay of technical equipment, war, public disaster, or other reason beyond the cause or control of Quincy or SHM prevents such Party or its personnel from performing tasks which it is required to perform under this Agreement during any period of time, then such failure will not be a breach of this Agreement and such Party will be excused from such performance during that time.

7. **UNENFORCEABILITY.** If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, except that if such invalidity or unenforceability should change the basic economic positions of the Parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material questions as to the validity of any provision of this Agreement, the Parties shall negotiate in good faith to revise any such provision of this Agreement in an effort to comply with all applicable FCC Rules and Regulations, while attempting to preserve the intent of the Parties as embodied in the provisions of this Agreement. The Parties agree that, upon the request of either of them, they will join in requesting the view of the staff of the FCC, to the extent necessary, with respect to the revision of any provision of this Agreement in accordance with the foregoing. If the Parties are unable to negotiate a mutually acceptable modified Agreement, then either party may terminate this Agreement upon written notice to the other. Upon such termination, SHM shall pay to Quincy all accrued and unpaid Service Fees and each Party shall be relieved of any further obligations, one to the other, provided that no such termination shall in any way limit or otherwise affect the Leases, which shall remain in full force and effect pursuant to their terms despite such termination.

8. **TERM OF SHARING ARRANGEMENTS.** The term of this Agreement shall commence on the date of execution of this Agreement. The initial term of this Agreement is ten (10) years. Unless otherwise terminated by either Party, the term of this Agreement shall be extended for an additional ten (10) year term. Either Party may terminate this Agreement at the

end of the initial ten year term by six months prior written notice to the other. Notwithstanding the foregoing, the sharing arrangements contemplated by this Agreement will terminate (i) upon the consummation of the purchase and sale of assets of SHM relating to KXLT by Quincy, or an assignee of Quincy, under the terms of a certain Option Agreement (the "Option Agreement") entered into by SHM and Quincy or an affiliate of Quincy (the "Optionee"), or (ii) if the assets of SHM relating to KXLT are sold to a party other than Optionee (in any case, the date upon which such termination occurs being the "Cessation Date"). Except as provided in Section 4(g)(ii), no termination of this Agreement, whether pursuant to this Section 7 or otherwise, will affect SHM's duty to pay any Services Fee accrued, or to reimburse any cost or expense incurred, prior to the effective date of that termination.

9. AMENDMENT AND WAIVER. This Agreement may be amended and any provision of this Agreement may be waived; *provided* that any such amendment or waiver will be binding upon a Party only if such amendment or waiver is set forth in a writing executed by such Party.

10. NOTICES. All notices, demands and other communications given or delivered under this Agreement will be in writing and will be deemed to have been given when personally delivered or delivered by express courier service. Notices, demands and communications to Quincy or SHM will, unless another address is specified in writing, be sent to the address indicated below:

To SHM: SagamoreHill of Minnesota, LLC
3825 Inverness Way
Augusta, Georgia 30907
Attention: Louis Wall
Telephone: (706) 855-8506
Telecopy: (706) 855-8747

With a copy (which shall not constitute notice) to:

Wiley Rein & Fielding
1776 K Street, NW
Washington, DC 20006
Attention: Brook A. Edinger
Telephone: (202) 719-7279
Telecopy: (202) 719-7049

To Quincy: Quincy Newspaper, Inc.
130 South 5th Street
Quincy, Illinois 62301
Attention: Ralph Oakley
Telephone: (217) 221-3404
Telecopy: (217) 221-340

With a copy (which shall not constitute notice) to:

Scholz, Loos, Palmer, Siebers and Duesterhaus
625 Vermont Street
Quincy, Illinois 62301
Attention: Steven E. Siebers
Telephone: (217) 223-3444
Telecopy: (217) 223-3450

11. ASSIGNMENT; BINDING AGREEMENT. Neither party may assign its rights and obligations, either in whole or in part, without the prior written consent of the other; however, such consent shall not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted successors and assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

12. STRICT CONSTRUCTION. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

13. CAPTIONS. The captions used in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

14. AUTHORITY; ENTIRE AGREEMENT. Both SHM and Quincy represent that they are legally qualified and able to enter into this Agreement. This Agreement, the JSA and the Option Agreement embody the entire agreement between the parties with respect to the subject matter hereof and thereof, and there are not other agreements, representations, or understandings, oral or written, between them with respect thereto.

15. COUNTERPARTS. This agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

16. GOVERNING LAW. All questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the internal laws of the State of Minnesota, without giving effect to any choice of law or conflict of law provision (whether of the State of Minnesota or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Minnesota. In furtherance of the foregoing, the internal law of the State of Minnesota will control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even if under that

jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

17. PARTIES IN INTEREST. Nothing in this Agreement, express or implied, is intended to confer on any person or entity other than the Parties and their respective permitted successors and assigns any rights or remedies under or by virtue of this Agreement.

18. WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN.

19. TERMINATION. Upon the termination of this Agreement for any reason, if requested by SHM in writing, Quincy agrees to continue for a period of six (6) months following such termination to provide SHM with (i) tower and transmitter building space and (ii) office and studio space as set forth in Section 4(e) above. Furthermore, Quincy agrees to continue to provide SHM with such tower and transmitter building space and such office and studio space at all times during the term of this Agreement, even if there are disputes between the parties regarding compliance with the terms of this Agreement.

20. OTHER DEFINITIONAL PROVISIONS. The terms "hereof," "herein" and "hereunder" and terms of similar import will refer to this Agreement as a whole and not to any particular provision of this Agreement. Section references contained in this Agreement are references to Sections in this Agreement, unless otherwise specified. Each defined term used in this Agreement has a comparable meaning when used in its plural or singular form. Each gender-specific term used in this Agreement has a comparable meaning whether used in a masculine, feminine or gender-neutral form. Whenever the term "including" is used in this Agreement (whether or not that term is followed by the phrase "but not limited to" or "without limitation" or words of similar effect) in connection with a listing of items within a particular classification, that listing will be interpreted to be illustrative only and will not be interpreted as a limitation on, or an exclusive listing of, the items within that classification.

12207259

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO SHARED SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Shared Services Agreement as of the date first written above.

SAGAMOREHILL OF MINNESOTA, LLC

By: _____
Name:
Title:

**SAGAMOREHILL OF MINNESOTA
LICENSES, LLC**

By: _____
Name:
Title:

QUINCY NEWSPAPERS, INC.

By: _____
Name: Ralph M. Oakley
Title: Vice President

KTTC TELEVISION, INC.

By: _____
Name: Ralph M. Oakley
Title: Vice President