



## MORGAN MURPHY MEDIA

May 9, 2017

SagamoreHill of Victoria, LLC  
SagamoreHill of Victoria Licenses, LLC  
SagamoreHill of Missouri, LLC  
SagamoreHill of Missouri Licenses, LLC  
525 Blackburn Drive  
Augusta, GA 30907  
Attention: Louis Wall

Evening Telegram Company  
Madison, WI  
Television Wisconsin, Inc.  
Madison, WI  
QueenB Radio Wisconsin, Inc.  
Madison, WI  
Madison Magazine, Inc.  
Madison, WI  
QueenB Television, LLC  
La Crosse/Eau Claire, WI  
Spokane Television, Inc.  
Spokane, WA  
Apple Valley Broadcasting, Inc.  
Yakima/Kennewick, WA  
QueenB Radio, Inc.  
Spokane, WA

Gentlemen:

1. (a) Reference is hereby made to:

(i) the Asset Purchase Agreement dated as of the date hereof (the "Sagamore APA") by and between SagamoreHill of Victoria, LLC ("SHV"), SagamoreHill of Victoria Licenses, LLC ("SHVL"), SagamoreHill of Missouri, LLC ("SHM"), and SagamoreHill of Missouri Licenses, LLC ("SHML" and collectively with SHV, SHVL and SHM, "Sagamore"); Surtsey Media, LLC ("Seller"); and Saga Communications, Inc. ("Guarantor"), as guarantor;

(ii) the Asset Purchase Agreement dated as of the date hereof (the "Morgan Murphy APA") by and between Saga Broadcasting, LLC, Saga Quad States Communications, LLC and Guarantor, and Evening Telegram Company d/b/a Morgan Murphy Media, ("Morgan Murphy"), as buyer;

(iii) the Option Agreement (the "KFJX Option Agreement") by and among SHM, SHML and QueenB Television of Kansas/Missouri, LLC ("QueenB"), an affiliate of Morgan Murphy, to be effective simultaneously with the Closing and substantially in the form attached hereto as Exhibit A and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate);

(iv) the Agreement for the Sale of Commercial Time (the "TSA") by and between SHM and QueenB to be effective simultaneously with the Closing and substantially in the form attached hereto as Exhibit B and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate);

(v) the Shared Services Agreement (the "Shared Services Agreement") by and between SHM and QueenB to be effective simultaneously with the Closing and substantially in the form attached hereto as Exhibit C and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate);

(vi) the Studio and Office Lease Agreement (the "Studio Lease") by and between SHM and QueenB to be effective simultaneously with the Closing and substantially in



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the form attached hereto as Exhibit D and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate); and;

(vii) the Amended and Restated Time Brokerage Agreement ("TBA") by and between SHV and QueenB Television of Texas, LLC ("QueenB Texas", an affiliate of Morgan Murphy, to be effective simultaneously with the Closing and substantially in the form attached hereto as Exhibit E and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate); and

(viii) the Option Agreement (the "KVCT Option Agreement") by and among SHV, SHVL and QueenB Texas, an affiliate of Morgan Murphy, to be effective simultaneously with the Closing and substantially in the form attached hereto as Exhibit F and otherwise in form and substance mutually agreeable to Sagamore and Morgan Murphy (or its affiliate).

Capitalized terms used, but not defined, herein shall have the meanings ascribed to such terms in the Sagamore APA and the Morgan Murphy APA (together, the "Asset Purchase Agreements").

(b) At the Closing under the Asset Purchase Agreements, Morgan Murphy or its affiliates will acquire certain assets currently held by Guarantor or its subsidiaries and used in the operation of television broadcast stations KAVU-TV, Victoria, Texas, KMOL-LD, KQZY-LP, KUNU-LP, KVTX-LP, KXTS-LD (all licensed to Victoria, Texas) and KOAM(TV), Pittsburg, Kansas; and Sagamore will acquire the FCC Licenses issued with respect to KFJX(TV), Pittsburg, Kansas, FCC Facility ID No. 83992 ("KFJX"), and television broadcast station KVCT(TV), Victoria, Texas, FCC Facility ID No. 35846 ("KVCT" and, together with KFJX, the "Stations"), and other assets related to, the Stations. Simultaneously with the Closing, Sagamore and Morgan Murphy (or one or more of their affiliates) will execute and deliver the KFJX Option Agreement, the TSA, the Shared Services Agreement, the Studio Lease, the KVCT Option Agreement and the TBA.

(c) Pursuant to the terms and subject to the conditions set forth in the documents referenced herein, and subject to the consent of the FCC, upon the Closing under the Asset Purchase Agreements:

(i) SHML, will be the licensee of KFJX; SHM will operate KFJX; and QueenB will hold an option to purchase the assets held by SHML and SHM and used in the operation of KFJX, will sell commercial time for broadcast on the KFJX and will provide certain ongoing services for the operation of KFJX.

(ii) SHVL, will be the licensee of KVCT; SHV will operate KVCT; and QueenB Texas will hold an option to purchase the assets held by SHVL and SHV, and will lease all time on KVCT from SHV.



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Accordingly, each of Sagamore and Morgan Murphy desire to set forth certain mutual understandings and agreements in connection with the anticipated Closing of the Asset Purchase Agreements.

2. Upon and following the execution and delivery of this letter agreement and the Asset Purchase Agreements, Sagamore and Morgan Murphy will use commercially reasonable efforts to finalize the form the KFJX Option Agreement, the TSA, the Shared Services Agreement, the Studio Lease, the KVCT Option Agreement and the TBA within thirty (30) days from the date hereof and, in any event, prior to the Closing. Sagamore and Morgan Murphy will diligently take or cooperate in taking all reasonable steps that are necessary, proper or desirable to expedite the preparation and finalization of such drafts.

3. In partial consideration for Sagamore agreeing to execute and enter into the KFJX Option Agreement and KVCT Option Agreement upon Closing, Morgan Murphy agrees to promptly pay or reimburse Sagamore, within fifteen days of invoicing with reasonable documentation, for all of Sagamore's reasonable costs and out-of-pocket expenses, including filing fees and reasonable attorneys' fees, incurred in connection with (a) Sagamore's compliance with its obligations pursuant to this letter agreement and (b) the preparation and negotiation of the documents referenced in this letter agreement; provided that all such expenses may be paid out of amounts provided under the Acquisition Financing Arrangement (defined below), if possible.

4. Upon and following the execution and delivery of this letter agreement and the Asset Purchase Agreements, Morgan Murphy will use commercially reasonable efforts to cooperate with Sagamore in securing on behalf of Sagamore financing for (x) the Purchase Price under the Sagamore APA and (y) necessary working capital for operation of the Station (the "Acquisition Financing Arrangement") post-Closing, including providing a guaranty for amounts due under such Acquisition Financing Arrangement in form and substance reasonably satisfactory to Morgan Murphy. Morgan Murphy and Sagamore will diligently take or cooperate in taking all reasonable steps that are necessary, proper or desirable to expedite the process of obtaining the Acquisition Financing Arrangement, including (i) obtaining within five (5) days of the date hereof a commitment letter from a commercial financial institution in form and substance reasonably acceptable to Sagamore and Morgan Murphy setting forth the basic terms of the Acquisition Financing Arrangement and (ii) facilitating the funding of the Acquisition Financing Arrangement on or prior to Closing.

5. As of the date hereof, each party hereto hereby makes the following representations and warranties to the other party hereto:

(a) Such party has the legal right and requisite power and authority to make and enter into this letter agreement, to perform its obligations hereunder and to comply with the provisions hereof. The execution, delivery and performance of this letter agreement by such party have been duly authorized by all necessary company action on its part. This letter



agreement has been duly executed and delivered by such party and constitutes the valid and binding obligation of such party enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought.

(b) The execution, delivery and performance of this letter agreement by such party, and the compliance by such party with the provisions hereof, do not and will not (with or without notice or lapse of time, or both) conflict with, or result in any violation of, or default under, or give rise to any right of termination, cancellation or acceleration of any obligation under any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to such party or any of its properties or assets, other than any such conflicts, violations, defaults, or other effects which, individually or in the aggregate, do not and will not prevent, restrict or impede such party's performance of its obligations under and compliance with the provisions of this letter agreement and the other transaction documents executed in connection herewith. The execution, delivery and performance of this letter agreement by such party does not and will not contravene the organizational documents of such party.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any governmental or regulatory authority or any other Person (other than any of the foregoing which have been obtained and are then in effect) is required under existing laws as a condition to the execution, delivery or performance of this letter agreement by such party.

6. Termination. This letter agreement may be terminated as follows:

(a) prior to the Closing upon the mutual written agreement of Sagamore and Morgan Murphy;

(b) by Morgan Murphy, in the event that the parties cannot agree on the terms of the KFJX Option Agreement, the TSA, the Shared Services Agreement, the Studio Lease, the KVCT Option Agreement and the TBA, despite compliance with Section 2 hereof.

(c) automatically and without further action of the parties upon termination of the Asset Purchase Agreements for any reason;

provided that termination of this letter agreement shall not relieve any party of (i) any liability for breach or default under this letter agreement prior to the date of termination, except as otherwise specifically provided, or (ii) any obligation, including payment obligations, that shall have accrued prior to the date of such termination. In addition, in the event of a termination pursuant to Section 6(b), Sagamore shall use its commercially reasonable efforts to assign the Sagamore APA to a third party approved by Morgan Murphy.



7. Miscellaneous

(a) Nothing in this letter agreement, whether express or implied, shall be construed to give any Person, other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this letter agreement.

(b) This letter agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the conflicts of law rules thereof.

(c) This letter agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The delivery of this letter agreement by facsimile or other electronic transmission will be deemed to be an original of the letter agreement so transmitted.

(d) If one or more provisions of this letter agreement are held to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this letter agreement, and the balance of this letter agreement shall be enforceable in accordance with its terms.

(e) The section headings used in this letter agreement are for reference purposes only and shall not affect the meaning or interpretation of any term or provision of this letter agreement.

(f) Without intending to limit the remedies available to any of the parties hereto, each of the parties hereto acknowledges and agrees that a breach by such party of any provision of this letter agreement will cause the other party hereto irreparable injury for which an adequate remedy at law is not available. Therefore, the parties hereto agree that in the event of any such breach each such party shall be entitled to an injunction, restraining order or other form of equitable relief from any court of competent jurisdiction restraining any other party hereto from committing any breach or threatened breach of, or otherwise specifically to enforce, any such provision of this letter agreement, and without any requirement of proving actual damages or posting any bond or other security, in addition to any other remedies that such parties may have at law or in equity.

(g) NEITHER PARTY HERETO SHALL BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).

(h) This letter agreement, the exhibits attached hereto, the Asset Purchase Agreements, the KFJX Option Agreement, the TSA, the Shared Services Agreement, the Studio Lease, the KVCT Option Agreement and the TBA, when executed and delivered by the parties thereto, collectively represent the entire understanding and agreement, and supersede all prior agreements, between the parties with respect to the subject matter hereof and thereof.

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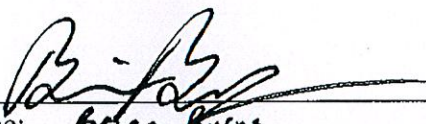
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If the foregoing correctly sets forth our understanding, please so indicate by signing below.  
Upon execution and delivery by all of the undersigned, this letter agreement shall become a legal  
and binding agreement among the parties hereto.

EVENING TELEGRAM COMPANY D/B/A  
MORGAN MURPHY MEDIA

By:   
Name: Brian Burns  
Title: Vice President / Chief Operating Officer

Agreed and Accepted as of the date hereof

SAGAMOREHILL OF VICTORIA, LLC  
SAGAMOREHILL OF VICTORIA LICENSES, LLC  
SAGAMOREHILL OF MISSOURI, LLC  
SAGAMOREHILL OF MISSOURI LICENSES, LLC

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

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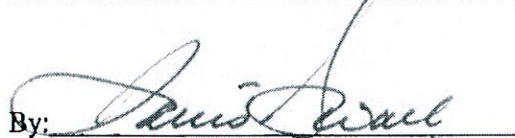
If the foregoing correctly sets forth our understanding, please so indicate by signing below.  
Upon execution and delivery by all of the undersigned, this letter agreement shall become a legal  
and binding agreement among the parties hereto.

EVENING TELEGRAM COMPANY D/B/A  
MORGAN MURPHY MEDIA

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

Agreed and Accepted as of the date hereof

SAGAMOREHILL OF VICTORIA, LLC  
SAGAMOREHILL OF VICTORIA LICENSES, LLC  
SAGAMOREHILL OF MISSOURI, LLC  
SAGAMOREHILL OF MISSOURI LICENSES, LLC

By:   
Name: Louis S. Wall  
Title: President