

ENGAGEMENT AGREEMENT

THIS ENGAGEMENT AGREEMENT (this “Engagement Agreement”) is entered into as of this 16th day of October, 2014, by and among SagamoreHill of Phoenix Licenses, LLC, a Delaware limited liability company (“Transferring Beneficiary”), KPHO Broadcasting Corporation (“Sharing Party”), and K. James Yager (the “Trustee”).

RECITALS

A. Transferring Beneficiary holds the Federal Communications Commission (“FCC”) authorizations for television station KASW (the “Station”) and certain other assets relating to the Station, and Sharing Party owns certain non-license assets relating to the Station and provides certain services to the Station.

B. The Transferring Beneficiary intends to divest the Station’s FCC authorizations and its other Station assets in accordance with the voluntary commitment made to the FCC in File No. BALCDT-20131231ADN, to which the Sharing Party also is a party.

C. The Transferring Beneficiary desires to engage the Trustee as trustee pursuant to a trust agreement that will comport with FCC rules and policies applicable to divestiture trusts and with representations made to the FCC in File No. BALCDT-20131231ADN, to which Sharing Party also is a party.

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

E. The Transferring Beneficiary desires to enter into this Engagement Agreement, pursuant to which the Trustee will agree to enter into a trust agreement (“Trust Agreement”) specifying that the Transferring Beneficiary shall assign the FCC authorizations and other assets used in the operation of the Station (collectively, the “Station Assets”) to the Trustee. Under the Trust Agreement, the Trustee will be required to sell the Station to an independent third party as provided in the Trust Agreement and to operate the Station until such sale is consummated.

Accordingly, the parties agree as follows:

AGREEMENT

1. The Trustee agrees to serve as the trustee of the KASW Divestiture Trust pursuant to the Trust Agreement, substantially in the form appended hereto as Attachment A. The Trustee may elect to substitute for the initial Trustee an entity wholly owned and controlled by the initial Trustee, provided that any such election shall be made so as not to cause material delay in the establishment of the KASW Divestiture Trust and the entity so substituted shall comply with all applicable rules and policies of the FCC and the representations and warranties of the Trustee under this Engagement Agreement and the Trust Agreement. Upon such substitution, such entity thereafter shall be the Trustee under this Engagement Agreement and the Trust Agreement.

2. Transferring Beneficiary and the Trustee shall prepare and file with the

FCC the assignor's and assignee's portions, respectively, of an assignment application on FCC Form 314 (the "Application") seeking FCC consent to assign the FCC licenses for the Station to the Trustee. The parties shall file the Application on or before October 17, 2014. Transferring Beneficiary and the Trustee shall also prepare and file with the FCC assignment applications as appropriate for any non-broadcast FCC licenses held by Transferring Beneficiary for use by the Station (together with the Application, the "Applications").

3. Following FCC approval of the assignment of the FCC licenses contemplated by the Applications and upon at least five (5) business days' notice to the Trustee by the Transferring Beneficiary, and provided that the Transferring Beneficiary has not terminated this Engagement Agreement pursuant to Section 8, the Transferring Beneficiary and Trustee shall enter into the Trust Agreement, pursuant to which the Transferring Beneficiary will assign the Station Assets in accordance with the Trust Agreement, including the FCC licenses, to the Trustee, as trustee under the Trust Agreement, and the Trustee, as trustee and on behalf of the KASW Divestiture Trust, will acquire and assume the rights, titles and interests and obligations of the Transferring Beneficiary with respect to the Station Assets as provided in the Trust Agreement.

4. Transferring Beneficiary and the Trustee shall each take all actions necessary and shall cooperate with each other to submit and prosecute, or cause to be submitted and prosecuted, the Applications to the FCC. Transferring Beneficiary and the Trustee shall each notify the other of any documents filed with or received from the FCC with respect to the Applications.

5. In consideration for the services to be performed in connection with the establishment of, and the operation under, the Trust Agreement, the Transferring Beneficiary shall pay the Trustee [REDACTED] (the "Trustee Fee") once upon the execution of this agreement and thereafter shall pay the Trustee Fee in arrears on the last day of each month following FCC approval of the Application and terminating upon the consummation of an agreement for the sale of the Station Assets to a third party, which amounts shall be prorated for partial months. Separate and apart from any reimbursement obligation under the Trust Agreement, the Transferring Beneficiary shall reimburse the Trustee for all reasonable charges and expenses (including reasonable fees, expenses and disbursements of the Trustee's legal counsel) incurred in (i) the negotiation of this Engagement Agreement and the Trust Agreement, (ii) the preparation, filing, and prosecution of the Applications, and (iii) the consummation of the assignment of the Station Assets to the Trustee, which the Trustee reasonably deems necessary and proper to incur in the performance of its duties and obligations hereunder.

6. The Trustee hereby represents, warrants, and covenants to the Transferring Beneficiary that he is legally, technically, financially and otherwise qualified under the Communications Act of 1934, as amended, and otherwise, to acquire the Station Assets and can make the certifications necessary to complete and prosecute the Applications.

7. The Trustee hereby represents, warrants, and covenants to the Transferring Beneficiary that he has the requisite legal authority to enter into the Engagement Agreement and is not subject to legal obligations, contractual, statutory, or otherwise, that would prevent him from entering into this Engagement Agreement or the Trust Agreement or

performing his obligations hereunder or thereunder.

8. This Engagement Agreement, other than the Transferring Beneficiary's obligations under Section 5 hereof, may be terminated by the Transferring Beneficiary or the Sharing Party at any time prior to the consummation of the assignment of the Station Assets to the Trustee pursuant to Section 3. Either the Transferring Beneficiary or the Sharing Party at any time may direct the Trustee, by written notice to the Trustee and to the Transferring Beneficiary or Sharing Party (as the case may be), to dismiss the Applications, whereupon the Trustee, as soon as practicable, shall make all filings with the FCC and take any other steps as may be necessary or appropriate to secure the dismissal of the Applications. The Trustee may terminate this Engagement Agreement prior to consummation of the assignment of the Station Assets to the Trustee by giving not less than sixty (60) days prior written notice to the Transferring Beneficiary.

9. The Trustee shall keep all financial and other non-public information about the Station and the Trust in strict confidence and shall disclose such information only to the extent necessary to obtain FCC approval of the assignment of the Station's FCC licenses to the Trustee or to implement the terms of the Trust Agreement (and in connection with negotiations with a potential third party buyer, subject to the terms of a customary confidentiality agreement) or as required by law.

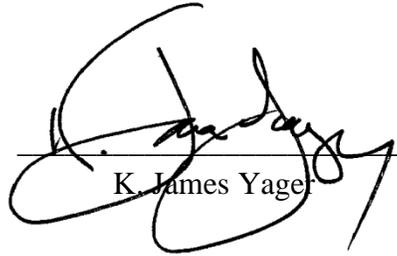
10. The Trustee represents and warrants to the Transferring Beneficiary that on the date of this Engagement Agreement he is not engaged in any activities that conflict with the Station's local TV station operations and that so long as this Engagement Agreement is in effect and until the Station Assets are assigned to the Trust that, prior to engaging in any activity that could present a conflict of interest with Station's local TV station operation, he individually will request the Transferring Beneficiary's prior approval, such approval not to be unreasonably withheld.

11. This Engagement Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all 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 shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof.

[SIGNATURE PAGE FOLLOWS]

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

TRUSTEE: **K. JAMES YAGER**



K. James Yager

**TRANSFERRING
BENEFICIARY:** **SAGAMOREHILL OF PHOENIX LICENSES, LLC**

By: _____
Name:
Title:

SHARING PARTY: **KPHO BROADCASTING CORPORATION**

By: _____
Name: John S. Zieser
Title: Chief Development Officer/
General Counsel

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

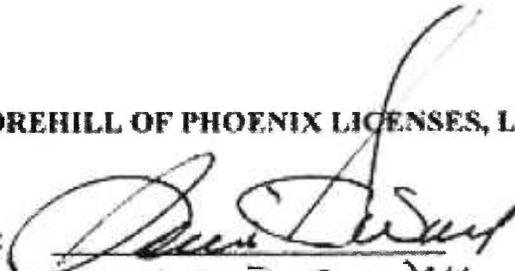
TRUSTEE: **K. JAMES YAGER**

K. James Yager

**TRANSFERRING
BENEFICIARY:**

SAGAMOREHILL OF PHOENIX LICENSES, LLC

By:


Name: LOUIS S. WAHI
Title: President

SHARING PARTY: **KPHO BROADCASTING CORPORATION**

By: _____

Name: John S. Zieser
Title: Chief Development Officer/
General Counsel

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

TRUSTEE:

K. JAMES YAGER

K. James Yager

**TRANSFERRING
BENEFICIARY:**

SAGAMOREHILL OF PHOENIX LICENSES, LLC

By: _____
Name:
Title:

SHARING PARTY:

KPHO BROADCASTING CORPORATION

By:  _____
Name: John S. Zieser
Title: Chief Development Officer/
General Counsel

FORM OF TRUST AGREEMENT

KASW DIVESTITURE TRUST AGREEMENT

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KASW DIVESTITURE TRUST AGREEMENT

THIS KASW DIVESTITURE TRUST AGREEMENT (this "*Trust Agreement*"), dated as of _____, 201_____, is by and among SAGAMOREHILL OF PHOENIX LICENSES, LLC ("*TRANSFERRING BENEFICIARY*"), K. JAMES YAGER, a natural person, whose business address is 650 E. Algonquin Road, Suite 305, Schaumburg, Illinois 60173 ("*TRUSTEE*"), and KPHO BROADCASTING CORPORATION ("*SHARING PARTY*").

RECITALS

WHEREAS, Transferring Beneficiary holds the Federal Communications Commission ("*FCC*") authorizations and certain other assets for television station KASW(TV), Phoenix, Arizona (the "*Station*") and Sharing Party owns certain non-license assets relating to the Station and provides certain services to the Station;

WHEREAS, the Transferring Beneficiary intends to divest the Station's FCC authorizations and its other Station assets in accordance with the voluntary commitment made to the FCC in File No. BALCDT-20131231ADN;

WHEREAS, the Transferring Beneficiary desires to engage the Trustee as trustee pursuant to a trust agreement that will comport with FCC rules and policies applicable to divestiture trusts and with representations made to the FCC in File No. BALCDT-20131231ADN;

WHEREAS, the Trustee has agreed to serve as trustee for the purpose of selling the Station to a third party and operating the Station pending the consummation of such sale; and

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

1. Creation and Purpose of KASW Divestiture Trust.

(a) Subject to the terms and conditions hereof, a trust in respect of the Station and the Station Assets (as defined below) is hereby created and established (the "*KASW Divestiture Trust*"), and the Trustee hereby agrees to serve as trustee hereunder. References in this Trust Agreement to the Trustee shall mean the Trustee in his representative capacity as trustee of the KASW Divestiture Trust and not in his individual capacity.

(b) The purpose of the KASW 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 Assets (the "*Sale*") by the Trustee, and the provisions of this Trust Agreement shall be interpreted to effectuate such purpose.

(c) Following the Closing (as defined below), the KASW Divestiture Trust shall be irrevocable until:

(i) such time as, with prior approval of the FCC, the Transferring Beneficiary causes the Sale to a third party buyer pursuant to a separate written agreement; and

(ii) all obligations of the Trustee under this Trust Agreement and any agreement for the Sale to a third party buyer have been fully performed or waived.

2. Assignment and Management of Station Assets.

(a) On the Closing Date (as defined herein), Transferring Beneficiary shall assign to the Trustee all the licenses and other authorizations issued by the FCC (the "**FCC Licenses**") used solely in the operations of the Station, including the Station's call letters, and the Transferring Beneficiary shall convey, transfer, assign, and deliver to the Trustee, and the Trustee shall acquire and assume from the Transferring Beneficiary, all of the Transferring Beneficiary's right, title, interest and obligations in and to all of the following assets held by Transferring Beneficiary (collectively, the "**Beneficiary Assets**," the FCC Licenses and Beneficiary Assets are collectively referred to as the "**Station Assets**");

(i) Any equipment, furniture, fixtures and other items of tangible personal property owned or leased by the Transferring Beneficiary and used solely in the operation of the Station (the "**Personal Property**");

(ii) all real property owned or leased by the Transferring Beneficiary and used solely in the operation of the Station (the "**Real Property**");

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

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

(v) all accounts receivable arising from operation of the Station (the "Accounts Receivable");

(vi) 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;

(vii) all of the Transferring Beneficiary'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;

(viii) all of the Transferring Beneficiary'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;

(ix) the intellectual property of the Transferring Beneficiary used solely in the operation of the Station (the "Station IP");

(x) all prepaid expenses of the Transferring Beneficiary relating solely to the Station and the deposits relating solely to the Station; and

(xi) all of the Transferring Beneficiary'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) Other than those assets specified in Section 2(a), the Transferring Beneficiary shall not convey, transfer, assign, and deliver, and Trustee shall not acquire and assume, directly or indirectly, any of the assets, including the following assets (the "*Excluded Assets*"), all of which shall be retained by the Transferring Beneficiary:

(i) any and all assets used or useful in the operation of other television stations owned by Transferring Beneficiary (and its affiliates), and all assets of the Transferring Beneficiary other than those assets of Transferring Beneficiary which are used solely in the operation of the Station;

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

(iii) duplicate copies of all books, accounting records and other records of the Station which are expressly included in Section 2(a), but only to the extent necessary to enable the Transferring Beneficiary to file tax returns and reports, to maintain accounting records and to make filings and maintain records of litigation and government proceedings;

(iv) all claims, rights and interests of the Transferring Beneficiary in and to any refunds or credits 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 causes of action arising prior to the Closing Date;

(vii) except as expressly set forth herein, insurance policies relating to the Station and the rights to proceeds thereunder; and

(viii) all of the Transferring Beneficiary's intellectual property other than the Station IP.

(c) To the extent that any of the Excluded Assets are also used in the conduct of the business and operation of the Station as of the Closing Date (the "*Shared Assets*"), then, prior to and during the term of this Trust Agreement, the Transferring Beneficiary shall have made or make such arrangements as are reasonably necessary to provide for the Trustee's continued use of the Shared Assets by the Station at an agreed upon reasonable cost.

(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 Transferring Beneficiary'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 Transferring Beneficiary (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 the date hereof (the "**Closing Date**"), at a location to be agreed upon by the parties hereto.

(b) It is acknowledged by the parties that, as of the date of this Trust Agreement, the following conditions have been satisfied or waived (provided, however, that prior FCC consent to the assignment of the FCC Licenses to the Trustee may not be waived):

(i) there is not 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) there is not in existence any lawsuit, action, investigation, or other proceeding pending before any court or governmental authority of competent jurisdiction to prohibit the transactions contemplated by this Trust Agreement;

(iii) the FCC has granted its consent to the assignment of the FCC Licenses to the Trustee without imposing any condition materially adverse to the Trustee, to the Transferring Beneficiary, or to the operation of the Station; and

(iv) the Transferring Beneficiary 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 Transferring Beneficiary shall have made or make 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 the Sale to a third party as soon as reasonably practicable after the Closing, with any such Sale to occur no later than as provided in Section 4(d) hereof, pursuant to the conditions contained herein and at a price that renders to the Transferring Beneficiary the maximum consideration reasonably attainable for the Station Assets, payable in its entirety at the closing of such sale in cash.

(b) The Trustee shall have the power and authority to hire any professionals, attorneys, accountants or other agents reasonably necessary in the judgment of Trustee to assist

in the Sale, and such professionals or agents shall be accountable solely to the Trustee. The Transferring Beneficiary shall notify the Trustee of any potential buyers or transactions of which the Transferring Beneficiary becomes aware for consideration by the Trustee.

(c) To the extent consistent with the Trustee's obligations hereunder, following the Closing, the Trustee shall use its good faith and commercially reasonable efforts to enter into a binding agreement for the Sale (the "*Sale Agreement*") to an unaffiliated third party on commercially reasonable terms and in a form consistent with standard practices in the industry for transactions of a similar size and nature, including customary representations, warranties, indemnifications and limitations on liability. The Transferring Beneficiary shall provide customary consents, information, representations, warranties and indemnifications and the Trustee shall cause any third party buyer to provide customary consents, information, representations, warranties and indemnifications. Any such Sale Agreement shall provide that, except for certain customarily permitted liens described therein, the Station Assets are to be assigned and otherwise conveyed free and clear of any and all liens, security interests, and encumbrances ("*Liens*") of any kind or nature, and, to that end, Trustee shall use the first proceeds from the Sale Agreement to repay any outstanding Liens other than permitted liens (with the understanding that, upon such payment, such Liens on the Station Assets shall be removed).

(d) The Trustee shall make all reasonable efforts to sell the Station consistent with the Trustee's duty to maximize value to the Transferring Beneficiary to the extent reasonably practicable within the time frames provided in this Trust Agreement, it being understood that this Trust Agreement does not contain a provision setting forth or acting as a price floor regarding the sale price of the Station. The Transferring Beneficiary shall have the right (x) to require that the third party buyer assume, directly or indirectly, all of the liabilities incurred in the ordinary course of business of the Station existing at the consummation of such sale and all of the liabilities of the Station arising after the consummation of such sale, (y) to establish a date to be included in the Sale Agreement by which any such sale must be consummated, and (z) to require that the third party buyer assume the union contracts, if any, relating to employees of the Station. The deadline for consummation of any Sale Agreement shall in no event be later than One Hundred Eighty (180) days after the Trustee shall have acquired the Station as provided in this Trust Agreement unless Transferring Beneficiary shall have specified a later date to the Trustee in writing and shall have specified in such writing that such later date is consistent with the obligations of the Transferring Beneficiary to the FCC as in effect as of the time that the Transferring Beneficiary provides such notice.

(e) In fulfilling its obligations to effectuate the Sale, the Trustee shall use commercially reasonable efforts to take all actions necessary or appropriate to secure a Sale Agreement with a third party, using commercially reasonable efforts to maximize the sale price. To that end, the Trustee shall submit and diligently prosecute appropriate applications to such governmental authorities as any such Sale Agreement requires, including to the FCC requesting approval to assign the FCC Licenses.

(f) The Trustee shall maintain complete records of all efforts undertaken to effect the Sale until it consummates the Sale. The Trustee shall provide the Transferring Beneficiary (and affiliates) with monthly reports setting forth the Trustee's efforts to effect the

Sale as contemplated by this Trust Agreement. Such reports shall be designated confidential (but may be shared by the Transferring Beneficiary with its affiliates), shall include the name, address and telephone number of each person who 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 not consummated a Sale Agreement for the Sale within One Hundred Eighty (180) days after the Closing Date, the Trustee shall promptly provide the Transferring Beneficiary and the Sharing Party with a confidential report (that may be shared by the Transferring Beneficiary and the Sharing Party with its respective affiliates and made available to governmental authorities at the discretion of the Transferring Beneficiary or the Sharing Party) setting forth in reasonable detail (i) any supplement to the prior reports concerning the Trustee's efforts to effect the Sale; (ii) the reasons, in Trustee's judgment, why the Sale has not been consummated; and (iii) the Trustee's recommendations for consummating the Sale without further delay.

(g) At least five (5) business days prior to the execution of a Sale Agreement, the Trustee shall deliver to the Transferring Beneficiary a copy of such agreement, together with all attachments thereto. The Trustee shall notify the Transferring Beneficiary 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.

(h) The Trustee is authorized to enter into an exchange agreement for the Station Assets providing for an exchange of assets in accordance with the applicable regulations of the IRS, if (1) the assets to be acquired in exchange for the Station Assets do not cause the Transferring Beneficiary or any of its affiliates to be in violation of the FCC's media ownership or other applicable rules or applicable law, and (2) the Transferring Beneficiary has approved any such proposed exchange prior to the execution by the Trustee of a transaction agreement for the proposed exchange transaction.

5. Management and Other Actions by Trustee.

(a) Following the Closing, the right to manage the business of the Station held in the KASW Divestiture Trust shall be solely vested in the Trustee, subject to the following conditions:

(b) Following the Closing, the Trustee shall have absolute and complete control over the operations of the Station pending the Sale or other termination of this Trust 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 for so long as this Trust Agreement is in effect. The Trustee shall have no beneficial interest in the Station Assets.

(c) Following the Closing, the Trustee shall operate the Station as a separate and independent competitor to the Transferring Beneficiary, and the Trustee shall ensure that the management and operation of the Station is kept separate and apart from, and not influenced by, the Transferring Beneficiary; provided that, nothing herein will limit the ability of the

Transferring Beneficiary to share assets with the Trustee consistent with past practices and the terms of this Trust Agreement, and, provided further, that the Trustee, in temporarily operating the Station, shall not engage in any new sharing arrangements, such as new shared service agreements or joint sales agreements, or new contingent financial interests, such as new options or new loan guarantees, with any entity that controls or has an attributable interest in the same DMA as the Station and whose common ownership of the Station, together with such party's other media properties would violate the local television ownership rules of the FCC as set forth in 47 C.F.R. § 73.3555. The Trustee shall use all reasonable efforts to maintain and enhance the value of the Station Assets on a stand-alone basis.

(d) Following the Closing, the Trustee shall conduct the operations of the Station in accordance with its duties as an FCC licensee. Within fifteen (15) days of the end of each calendar month during the term of this Trust Agreement, the Trustee shall provide to the Transferring Beneficiary or its designee monthly financial reports consisting of unaudited balance sheets of the Station's operations 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 Transferring Beneficiary so that the Transferring Beneficiary can meet its financial reporting requirements to its accountants, lenders, and any other governmental authorities of competent jurisdiction.

(e) Any employee hired by the Trustee after the Closing Date 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 Transferring Beneficiary or its affiliates, and may not have any business and familial relationship (as defined in FCC rules and policies) with the Transferring Beneficiary or with any member, shareholder, partner, director, officer, or employee of the Transferring Beneficiary or its affiliates.

(f) The Trustee shall cause any employee hired by it (including any person previously employed by the Transferring Beneficiary 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 (a) 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 Transferring Beneficiary or its members, shareholders, partners, officers, directors, employees, and affiliates, and (b) to preserve the confidentiality of all information such employee may acquire regarding the management and operation of the Station during the term of this Trust Agreement.

(g) After the Closing, the Trustee shall be entitled to obtain the exclusive services of individuals currently employed by the Station as follows:

(i) The Trustee will be entitled to obtain the exclusive services of all employees of the Transferring Beneficiary who have been providing services solely to the Station;

(ii) The employees who will be providing exclusive services to the Trustee hereunder in connection with the operation of the Station following Closing are referred to herein as the "*Station Employees.*"

(h) The Station Employees will remain employees of the Transferring Beneficiary or its affiliates so that these individuals can continue to receive their existing medical, pension, insurance and other employee benefit plans, programs or arrangements.

(i) The Station Employees will provide services solely with respect to the Station and shall report to, and be subject solely to the supervision, direction and control of, the Trustee. The Trustee may, in its sole discretion, retain or discontinue using the services provided by any Station Employee as the Trustee deems necessary or appropriate in the management and operation of the Station. To the extent that the Trustee discontinues using the services provided by a particular Station Employee, the Trustee may request that the Transferring Beneficiary promptly provide reasonable replacement services through a different Station Employee who will provide services to the Trustee on an exclusive basis.

(j) Each Station Employee shall execute a letter acknowledging that, upon commencement of the KASW Divestiture Trust, (A) he or she is accountable solely to the Trustee in performing services with respect to the Station and (B) he or she is prohibited from communicating with the Transferring Beneficiary or its affiliates, or any of their officers, directors or employees (other than those employees who are performing services for the Station on an exclusive basis under the supervision, direction and control of the Trustee) regarding the operation or management of the Station.¹

(k) In no event shall the Trustee be required to provide Station Employees with any medical, pension, insurance or other employee benefit plans, programs or arrangements. To the extent that the Transferring Beneficiary provides Station Employees with group medical, group insurance and/or pension plan benefits on or after the Closing Date through plans maintained by the Transferring Beneficiary for its employees, the Trustee shall, (A) within such reasonable time as deemed necessary or appropriate by the Transferring Beneficiary, provide the Transferring Beneficiary or its designee such reports, data or other information as the Transferring Beneficiary 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 and (B) remit to the Transferring Beneficiary any cost, allocations or reimbursements agreed to by the parties. In no event shall the Trustee or the KASW Divestiture Trust be responsible for any liabilities or obligations relating to or arising under any of the Transferring Beneficiary'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 any cost, allocations, or reimbursements referenced in (B) above, which will be paid from assets of the KASW Divestiture Trust. All liabilities or obligations that relate to or arise under any of the Transferring Beneficiary's employee benefit plans, programs or arrangements shall remain the sole and complete responsibility of the Transferring Beneficiary and shall be subject to the indemnification provided herein or in Subsection 6(d) of this Trust Agreement. Upon the termination of this Trust Agreement, the Transferring Beneficiary may terminate the employment of any and all Station Employees then providing services to the Trustee in connection with the operation of the Station; provided, that the Transferring Beneficiary shall be responsible for, and shall indemnify the Trustee for, any and all expenses

¹ It is contemplated that the KASW Divestiture Trust would not come into being until, at the earliest, the Closing Date—that is, the date that the Station assets would be transferred to the trust.

and other liabilities incurred thereby, including severance payments, COBRA obligations, and accrued vacations.

(l) After the Closing, no employees of the Transferring Beneficiary will provide services to the Station while also providing services to one or more other stations in the Phoenix, Arizona market operated by the Transferring Beneficiary or its affiliates. Any employees of the Transferring Beneficiary who provide services to the Station after the Closing will do so on an exclusive basis and shall report to, and be subject solely to the supervision, direction and control of, the Trustee. There will be no “shared employees” between the Station and one or more other stations in the Phoenix market operated by the Transferring Beneficiary or its affiliates following the Closing.

(m) Except as expressly provided in this Trust Agreement, the Trustee shall not, in his capacity as trustee of the KASW Divestiture Trust, (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.

(n) Following the Closing Date, the Trustee shall have exclusive control over the operation and management of the Station (including all Station Employees), 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 Transferring Beneficiary consistent with the Trustee’s duties as a licensee of the FCC and as a fiduciary of the Transferring Beneficiary. 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, enter into any new material contract, except in the ordinary course of business consistent with past practices of the Station;

(iv) sell (whether by merger, consolidation, or the sale of an equity interest or assets), lease, license, or dispose of the Station Assets except pursuant to a Sale Agreement which is permitted under this Trust Agreement, except in the ordinary course of business consistent with past practices of the Station;

(v) allow the imposition of any Liens of any kind or nature on the

Station Assets other than existing Liens, which (other than permitted Liens) will be removed upon closing of a Sale Agreement;

(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;

(viii) incur, without the consent of the Transferring Beneficiary and the Sharing Party, which shall not unreasonably be withheld, capital expenditures in excess of [REDACTED] in any six month period (which amount is expected by the Transferring Beneficiary to be sufficient to meet the projected needs of the Station for six (6) months consistent with past practices); or

(ix) change the network affiliation of the Station;

(x) 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.

(o) 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 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 dated October 16, 2014, among the Transferring Beneficiary, Sharing Party, and the Trustee.

(b) The Transferring Beneficiary and Sharing Party shall reimburse and indemnify the Trustee and its employees, independent contractors and other representatives (the "*Trustee Indemnified Parties*") against all claims, costs of defense of claims (including reasonable attorneys' fees and disbursements and taxes related to the KASW Divestiture Trust, the operation of the Station, or the Station Assets), expenses and liabilities incurred by the Trustee Indemnified Parties in connection with the performance of the Trustee's duties and the enforcement of the Trustee's rights under this Trust Agreement, except those incurred as a result of the Trustee Indemnified Parties' gross negligence, intentional wrongful action, willful misconduct or material breach of this Trust Agreement. The Trustee Indemnified Parties shall give prompt written notice to the Transferring Beneficiary and Sharing Party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder, but a failure to give or a delay in giving such notice shall not affect the Trustee Indemnified Parties' right to indemnification and the Transferring Beneficiary's and Sharing Party's obligation to indemnify as set forth in this Trust Agreement, except to the extent the Transferring Beneficiary's and Sharing Party's ability to remedy, contest, defend or settle with respect to such claim is thereby prejudiced. The Transferring Beneficiary and Sharing Party shall each have the right to undertake, by counsel or other representatives of

its own choosing, the defense or opposition to any such claim. The Trustee Indemnified Parties shall not settle or compromise any such claim or consent to entry of any judgment without the Transferring Beneficiary's or Sharing Party's, as applicable, written consent. Payments to the Trustee Indemnified Parties pursuant to this Section 6(b) shall be made within 20 days of receipt of an invoice or bill from the Trustee together with appropriate supporting documentation. The obligations of the Transferring Beneficiary and Sharing Party to the Trustee Indemnified Parties under this Section 6(b) shall survive the resignation, incapacity to act, dissolution or insolvency of the Trustee, the death or incapacity of the Trustee and the termination of this Trust Agreement.

(c) The parties acknowledge that the Transferring Beneficiary and Sharing Party, as applicable, will obtain as of the Closing policies of insurance, or the amendment of or riders to existing policies of insurance, to provide insurance coverage related to the Station Assets under the umbrella policies currently held by the Transferring Beneficiary and Sharing Party, as applicable. 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 Transferring Beneficiary.

The Transferring Beneficiary shall not take any action to jeopardize the Sale 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 Transferring Beneficiary shall permit prospective purchasers of the Station Assets to have reasonable 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 Sale, the Trustee may request in writing from the Transferring Beneficiary such reasonable and customary representations and warranties, consents, information, covenants and indemnities (which may be directly provided by the Transferring Beneficiary to a buyer, as negotiated and determined by the Trustee) regarding such sale, and such requests shall not be unreasonably denied.

8. Trustee Responsibilities.

(a) Following the Closing, the Trustee shall devote such time to the operation of the Station and the KASW Divestiture Trust as is necessary, appropriate, or advisable in the fulfillment of the obligations and the exercise of its or his fiduciary duties hereunder.

(b) Following the Closing, 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 him hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. The Trustee may act in reliance upon any instrument or signature believed by him 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 Transferring Beneficiary.

(d) Neither the Trustee nor any successor trustee designated pursuant to Section 9 hereof shall be a stockholder, member, partner, officer, employee, or director, of the Transferring Beneficiary or its respective affiliates, and may not have any business or familial relationship (as defined in the FCC rules and policies) with any officer, employee, director, member, stockholder, partner or affiliate of the Transferring Beneficiary or the Sharing Party or their respective affiliates (other than in his capacity as a trustee for other trusts acquiring, operating, and selling broadcast stations), provided that this provision shall not preclude the assignment to and assumption and continuation by the Trustee of those sharing arrangements between the Sharing Party and the Transferring Beneficiary in effect as of the date of this Trust Agreement and approved by the FCC in File No. BALCDT-20131231ADN.

9. Replacement of Trustee.

(a) The rights and duties of the Trustee hereunder shall terminate upon the Trustee's incapacity to act, dissolution or insolvency, 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 an incapacitated, dissolved, deceased or insolvent Trustee 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, deceased or insolvent Trustee shall have the obligation to assign Trustee's rights and obligation under a Sale Agreement to one or more successor trustees designated by the Transferring Beneficiary pursuant to this Section 9.

(b) The Trustee may resign by giving not less than 60 days prior written notice of resignation to the Transferring Beneficiary; provided, that no such resignation shall become effective unless and until a successor trustee has been appointed, such appointment has received all necessary approval from the FCC, and any order granting such approval has become a "**Final Order**" (meaning an order that is no longer subject to reconsideration or review by the FCC or a court of competent jurisdiction because all time periods in applicable law and FCC rules providing for the same have expired without any such request for reconsideration or review having been requested or initiated). The Transferring Beneficiary 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, death, or incapacity to act, the

Trustee shall be succeeded, subject to such prior approval of the FCC as may be required, by a successor trustee chosen by the Transferring Beneficiary. Any successor trustee shall succeed to all of the rights and obligations of the Trustee replaced hereunder and shall be deemed 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) This Trust Agreement and the KASW Divestiture Trust created hereby shall terminate automatically, and be of no further force and effect upon the consummation of the Sale to a third party and/or assignment of the Station Assets to the Transferring Beneficiary, in each case as contemplated by this Trust Agreement.

(b) Upon such termination resulting from the consummation of the Sale, the Trustee shall receive the cash proceeds of such Sale, 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 (i) such cash to any lender of the Transferring Beneficiary which has a Lien (other than a Permitted Lien) on the Station Assets (with the removal thereby of such Lien) and the remainder to the Transferring Beneficiary or its designee and (ii) any remaining Station Assets relating to the Station (including without limitation accounts receivable) to the Transferring Beneficiary or its designee.

11. Communications.

(a) Except as otherwise expressly provided in this Trust Agreement, after the Closing Date, neither the Transferring Beneficiary 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 Transferring Beneficiary and the Trustee may communicate with each other (i) concerning the mechanics of implementing any sale of the Station Assets, and (ii) to provide reports to the Transferring Beneficiary and the Sharing Party concerning the implementation of the KASW Divestiture Trust.

(c) 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.

(d) All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (i) if transmitted by facsimile (with written confirmation of receipt), (ii) if personally delivered, upon delivery or refusal of delivery, or (iii) if sent by overnight courier, 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 Transferring Beneficiary:

SagamoreHill of Phoenix Licenses, LLC
525 Blackburn Road
Augusta, Georgia 30907

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

Todd M. Stansbury, Esq.
1776 K Street, N.W.
Washington, D.C. 20006

If to Trustee:

K. James Yager
650 E. Algonquin Road
Suite 305
Schaumburg, IL 60173
Telephone: 847-452-5490

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

Law Offices of Jack N Goodman
1200 New Hampshire Ave., NW, Suite 600
Washington, DC 20036
Telephone: 202-776-2045

If to the Sharing Party:

KPHO Broadcasting Corporation
1716 Locust Street
Des Moines, Iowa 50309-3023

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

Michael D. Basile, Esq.
Cooley LLP
1299 Pennsylvania Avenue, NW • Suite 700
Washington, DC 20004-2400
Telephone: (202) 776-2556

(e) 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.

12. Miscellaneous.

(a) This Trust Agreement (which term shall be deemed to include the annexes, exhibits, and schedules hereto and the other certificates, documents, and instruments delivered hereunder) and the Engagement Agreement between the parties, constitutes the entire agreement among the parties hereto and supersedes all prior and contemporaneous agreements, or understandings with respect to the subject matter hereof. This Trust Agreement may not be amended except by an instrument in writing executed by each of the parties hereto.

(b) This Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns, and nothing in this Trust Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Trust Agreement. Except as otherwise expressly permitted herein, no party may assign its rights or obligations hereunder without the prior written consent of the other parties.

(c) If any term or other provision of this Trust Agreement is held to be invalid, illegal, or unenforceable by any court or governmental authority of competent jurisdiction, all other provisions of this Trust Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Trust Agreement to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated herein are consummated as originally contemplated to the fullest extent possible.

(d) The section headings are solely for convenience of reference and shall not affect the construction or interpretation of this Trust Agreement. Unless otherwise stated, references in this Trust Agreement to sections, subsections, annexes, exhibits, schedules, and other subdivisions refer to the 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 shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of law principles.

(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 signatures or electronically-delivered signature pages are sufficient to make this Trust Agreement effective and legally binding.

(g) The KASW 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 this KASW Divestiture Trust shall be included as assets of the Transferring Beneficiary (or its direct or indirect owners) for federal, state and local tax purposes and accounting purposes and

(ii) income and losses of the KASW Divestiture Trust will be treated as income and losses of the Transferring Beneficiary (or its direct or indirect owners) for federal, state and local tax purposes and accounting purposes.

(h) The Trustee hereby represents and warrants to the Transferring Beneficiary that (i) he is and shall continue to be during the term of this Trust Agreement legally qualified under applicable law, including the Communications Act of 1934, as amended, and FCC rules, orders, and policies to hold the FCC Licenses and to own or hold the Station Assets; and (ii) if there has been a valid election for the Trustee to be an entity, the sole member of the Trustee (if the Trustee is a limited liability company) or the sole stockholder and principal officer of the corporation (if the Trustee is a corporation) is K. James Yager.

[SIGNATURE PAGE FOLLOWS]