

## Summary of Grit TV Affiliation Agreement

- Date:** 9/17/14
- Markets:** See attached
- Term:** Term begins, for each Station, on the date of the first broadcast by such Station, and expires on the 5<sup>th</sup> anniversary thereof
- Programming:** 24/7 feed of Programming via satellite (or other digital method agreed upon) in NTSC standard definition format. Grit is solely responsible for selection and scheduling of Programming, and full compliance with E/I.
- Grant of Rights/Carriage:** Grit grants Sinclair exclusive right and license to broadcast via free television the Programming on the .1, .2 or .3 digital transport stream and retransmission rights (including MVPDs) on cable/satellite systems.
- Exclusivity:** Each Station shall be the exclusive Grit affiliate in such Station's DMA. Sinclair is entitled to invoke the protection against simultaneous duplication of the Grit Programming. For individual programs, exclusivity applies only for a period commencing 7 days prior to and running until 14 days after such program airs on a Station.
- License Fee:** Grit pays to Sinclair an "all-in" annual license fee; payable in 4 calendar-quarterly installments in arrears, by the last day of the calendar quarter by wire. License Fee automatically increases by 20% for each year that the service is transmitted to at least 80% of available cable subscribers that receive Station's .1 primary broadcast channel on any MVPD other than ATT, Direct, and Dish.
- Equipment Reimbursement:** Station will install equipment provided by Grit; and Grit will reimburse Station for actual third party costs up to [REDACTED].
- Commercial Inventory:** None
- Preemption:** Each Station can substitute live or recent sports or event programming, plus Ring of Honor, not in excess of 10 hours per week. Station controls the commercial inventory for this substituted programming. Station must provide notice of the above 72 hours prior to such substitution. Other normal FCC clearances apply e.g. emergency and events of national/local importance.
- Retransmission:** Sinclair will be the exclusive representative of Grit with respect to carriage agreements with cable operators in the DMA; and will retain all retransmission consent revenue.

**Music Performance Licenses:** Grit to assure performing rights to music is controlled by performing rights society (SESAC, ASCAP, BMI). Sinclair is responsible for obtaining and paying the cost of licenses from all music licensing entities.

**Use of Trademarks and Logos:** Each party may use the other's trademarks, trade names, logos and other branding elements in publicizing its activities and Programming subject to owner's guidelines.

**Minimum Bandwith Requirement:** Must broadcast with a signal strength and quality not less than 2.5 Mbps; provided, that if Station adopts advancements in broadcast technology to further compress the signal, then Station may broadcast in a signal strength and quality less than 2.5 Mbps if there is no degradation in service.

**Termination:** Grit can terminate if Station ceases to broadcast Programming; and either party can terminate for material breach with 30 days' notice and right to cure. Sinclair can terminate for convenience upon 90 days' notice, but if such termination occurs during the first year of the Agreement, Sinclair must reimburse Grit for equipment.

**Indemnification:** Each party will defend, indemnify and hold the other harmless against all claims, liabilities, damages and costs caused by third party claims related to their own content.

**Insurance:** Grit to have commercial general liability insurance, multimedia liability insurance and broad form errors and omissions insurance.

**Press Releases/Confidentiality:** Neither Grit nor Sinclair will issue any press release or statement with regard to the terms and provisions of this Agreement without consent of the other. Grit has issued press release (see attached) that was approved by Corporate. The Agreement includes a confidentiality provision binding on both parties.

**Production :** Grit, as an independent contractor, will be responsible for the production of the Programming and all costs associated with production.

**FCC Compliance:** Grit to ensure all aspects of broadcasting activities comply with FCC regulations including closed captioning, sound mitigation, political, etc.