

SHARED SERVICES AGREEMENT

THIS SHARED SERVICES AGREEMENT (this "**Agreement**") is entered into on November 26, 2012, by and between Deerfield Media (San Antonio), Inc., a Delaware corporation ("**Deerfield**"), Deerfield Media (San Antonio) Licensee, LLC, a Delaware limited liability company ("**Deerfield San Antonio**"), and together with Deerfield, "**Station Licensee**", KABB Licensee, LLC, a Maryland limited liability company ("**Service Station Licensee**," Sinclair Communications, LLC, a Maryland limited liability company ("**SCLLC**," and together with Service Station Licensee, "**Service Provider**").

WITNESSETH:

WHEREAS, Station Licensee has entered into that certain Asset Purchase Agreement dated as of July 19, 2012 with San Antonio (KRRT-TV) Licensee, Inc., ("**KMYS Seller**") (the "**KMYS Purchase Agreement**") pursuant to which, upon and following the consent of the FCC (as defined below), Station Licensee will purchase and acquire the licenses and certain assets of television broadcast station KMYS(TV), FCC Facility ID No. 51518, Kerrville, Texas, (the "**Station**"). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Purchase Agreement;

WHEREAS, Service Provider is the licensee of and operates television broadcast station KABB(TV), Facility ID No. 56528, San Antonio, Texas ("**KABB**");

WHEREAS, Service Provider has entered into that certain Asset Purchase Agreement dated as of July 19, 2012, with High Plains Television, Inc. ("High Plains") (the "**WOAI Purchase Agreement**"), pursuant to which, upon and following the consent of the FCC, Service Provider will acquire the licenses and certain assets of television station WOAI-TV, Facility ID No. 69618, San Antonio, Texas ("**WOAI**," and together with KABB, the "**Service Station**");

WHEREAS, it is the parties' expectation that Service Provider, with its experience and operating infrastructure, is capable of providing services to Station Licensee which will permit Station to maintain or improve the overall efficiency of the its operating processes and reduce costs, thereby helping the Station to serve the television viewing public in the Market;

WHEREAS, in view of the desire of the parties to obtain important efficiencies through shared services provided by the Service Station, and the role such services are likely to provide in the efficient promotion of the business development of the Station, the parties hereto desire to enter into this Agreement; and

WHEREAS, simultaneously with the execution and delivery of this Agreement, and in order to further the provision of certain joint sales services between the Station and the Service Station, the parties hereto entering into that certain Joint Sales Agreement, dated as of the date hereof (the "**JSA**"), pursuant to which Service Provider (acting as Sales Agent, as defined therein) agrees to sell advertising and commercial time on the Station.

NOW, THEREFORE, in consideration of the above recitals and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the

receipt and sufficiency of which are hereby acknowledged, the parties, intending to be bound legally, agree as follows:

1. ***Defined Terms.***

1.1 For purposes of this Agreement:

"Affiliate" means, with respect to any Person, (a) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such Person within the meaning of clause (a) of this definition. For purposes of clause (a) of this definition, without limitation, (i) a Person shall be deemed to control another Person if such Person (A) has sufficient power to enable such Person to elect a majority of the board of directors (or comparable governing body) of such Person, or (B) owns a majority of the beneficial interests in income and capital of such Person, and (ii) a Person shall be deemed to control any partnership of which such Person is a general partner.

"Applicable Law" means any of the Communications Act, the FCC Rules, and all other federal, state and local constitutions, laws, statutes, codes, rules, regulations, ordinances, judgments, orders, decrees and the like of any governmental entity, including common law.

"Commencement Date" shall have the meaning ascribed thereto in the JSA.

"FCC" means the Federal Communications Commission or any successor agency thereto.

"FCC Rules" means the rules and published policies of the FCC as in effect from time to time.

"Market" means the Nielsen Designated Market Area that encompasses the Station.

"MVPD" means cable television systems, direct-broadcast-satellite systems, local exchange carriers, and all other multichannel video programming distributors that distribute the signals of a television broadcast station.

"Person" includes, without limitation, natural persons, corporations, business trusts, associations, companies, joint ventures, and partnerships.

"Third Party Claim" means any action, suit, claim or legal, administrative, arbitration, mediation, governmental or other proceeding, or investigation, other than any brought by a party to this Agreement or an Affiliate of a party to this Agreement.

"Transaction Documents" means this Agreement, the JSA, and the other documents, agreements and instruments executed by the parties hereto and thereto in connection therewith.

1.2 In addition to the defined terms in the preamble, recitals and Section 1(a) hereof, the following is a list of terms used in this Agreement and a reference to the section or schedule hereof in which such term is defined:

<u>Term</u>	<u>Section</u>
Base SSA Amount	Schedule A
Communications Act	Section 2
Initial Term	Section 9.1
Lease Terms	Section 5
MVPD	Section 4.1
Performance Bonus	Schedule A
Principal Agreements	Schedule A
Service Provider Premises	Exhibit 5
Services Fee	Section 7
Term	Section 9.2
Transition-Tail Period	Exhibit 5

2. **General Principles Governing Sharing Arrangements.** All sharing 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 "**Communications Act**"), the FCC Rules and all other Applicable Law. 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, and no such arrangement will be deemed to give Service Provider any right to control the policies, operations, management or any other matter relating to the Station.

3. **Certain Services Not to be Shared.**

3.1 **Senior Management Personnel.** Station Licensee shall maintain for the Station sufficient personnel to comply with its obligations as a broadcast licensee under the FCC's rules. Such personnel shall (a) include not less than one managerial employee, (b) be retained solely by, and report solely to, Station Licensee, and (c) have no involvement or responsibility with respect to the business and operation of the Service Station.

3.2 **Programming.** Station Licensee shall retain ultimate authority with respect to the selection and procurement of programming on the Station and in furtherance thereof, each of Station Licensee and Service Provider shall maintain for its own respective broadcast television station(s), including the Station and the Service Station, separate managerial and other personnel to carry out its selection and procurement of programming for its station(s).

4. **Licensee's Retained Authority Concerning Station Carriage by MVPDs.**

4.1 Station Licensee shall retain the authority (a) to make elections for must-carry or retransmission consent status, as permitted under the FCC Rules, and (b) to negotiate, execute, and deliver retransmission consent agreements with cable, satellite, and other

multichannel video providers (“MVPDs”) for which Station Licensee has provided timely notice of its election of retransmission consent.

4.2 Subject to the foregoing, Station Licensee agrees to take all commercially reasonable steps in a timely manner to assert, enforce, defend, and preserve the rights of the Station to carriage of the Station’s signals by MVPDs that may exist under Applicable Law as necessary to ensure that the Station has valid and enforceable arrangements with all material MVPDs in the Market.

5. **Lease.** Upon the Commencement Date and during the Term, Service Provider shall make available to Station Licensee (a) such premises and facilities as may be reasonably necessary to (i) conduct broadcast operations from such location and establish the main studio of the Station at such location and (ii) for the employees of Station Licensee at the Station to conduct the applicable business and operations of the Station; provided, that all such access and use shall be pursuant to the terms and subject to the conditions set forth in *Exhibit 5* attached hereto (the “**Lease Terms**”) and (b) the use of, certain tangible personal property with respect to the Station or Service Station sufficient to ensure and enable Station Licensee to conduct broadcast operations of the Station consistent with, and pursuant to, the FCC Rules and the Communications Act.

6. **Shared Services.** Subject to Station Licensee’s ultimate supervision and control, Service Provider agrees to provide to Station Licensee the following services to support the operation of the Station; provided, that such supervision and control shall not be deemed to permit Station Licensee to expand in any material respect the obligations of Service Provider or to require Service Provider to incur any material additional obligation or liability hereunder:

6.1 **Technical Services.**

(a) Commencing on the Commencement Date, Service Provider shall perform monitoring and maintenance of the Station’s technical equipment and facilities and, upon the request of Station Licensee, shall assist Station Licensee with the installation, repair, maintenance and replacement of the Station’s equipment and facilities and otherwise assist in the performance of Station Licensee’s obligations under Section 5.1 of the JSA; provided, however,



(b) Commencing on the Commencement Date, Service Provider shall make available to Station Licensee, on an independent contractor basis, a staff engineer employed by Service Provider to assist the chief operator for the Station in fulfilling its duties as specified by the FCC Rules.

6.2 **Promotional and Other Services.** Service Provider shall be responsible for the promotion of the Station; provided, however, that Station Licensee shall have the right to supplement the promotional efforts undertaken by Service Provider, but shall coordinate such efforts with Service Provider to maintain image consistency with Service Provider’s promotional

efforts. Service Provider shall (a) maintain and operate a website associated with the Station, whether (i) the current website for the Station (and its corresponding domain name) or (ii) another website (and other domain name) that is prominently associated with the Station, or (b) combine the current Station website with a website for the Service Station and be operated as a single website for the Station and the Service Station or otherwise include in the navigation structure of each such website for the Station and the Service Station links and navigation to such other site, and (c) provide, maintain and operate such mobile applications and other forms of promotional services and activities using new technology as Service Provider shall deem appropriate under the circumstances, which may be integrated into similar applications, services and activities provided to the Service Station .

6.3 *Back-Office and Related Support Services.* Service Provider shall provide reasonable and customary back-office support services with respect to the business of the Station, including with respect to traffic, the collection of accounts receivable in a manner consistent with Service Provider's own practices, and payroll and other similar, related services.

7. *Services Fee.* In consideration for the services to be provided to Station Licensee by Service Provider pursuant to this Agreement, Station Licensee shall pay to Service Provider with respect to each calendar month during the term of this Agreement the amount set forth in Schedule A hereto (the "Service Fee").

8.

9. *Term of Agreement.*

9.1 *Initial Term.* This Agreement shall be deemed effective, and the initial term hereof shall commence, on and as of the Commencement Date and such initial term (the "*Initial Term*") shall continue until the eighth (8th) anniversary of the Commencement Date, unless terminated in accordance with Section 2.2 below.

9.2 *Renewal Term.* This Agreement shall be renewed automatically for successive eight-year renewal terms (the Initial Term and any such renewal term hereinafter referred to as the "*Term*") unless either party provides the other party with written notice of non-renewal at least one-hundred-eighty (180) days prior to the expiration of the then-current Term.

10. *Representations and Warranties of Station Licensee.* Station Licensee represents and warrants to Service Provider as follows:

10.1 *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement by Station Licensee have been duly authorized by all necessary organizational action on the part of such party. This Agreement has been duly executed and

delivered by Station Licensee and constitutes the legal, valid, and binding obligation of such party, enforceable against it in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, insolvency, reorganization, or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

10.2 *Absence of Conflicting Agreements or Consents.* The execution, delivery, and performance by Station Licensee of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) will not conflict with the organizational documents of Station Licensee; (b) to the actual knowledge of Station Licensee or its respective Affiliates, does not conflict with, result in a breach of, or constitute a default under any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Station Licensee; (c) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of any agreement, instrument, license, or permit to which Station Licensee is a party or by which it is bound as of the date of this Agreement; and (d) will not create any claim, lien, charge, or encumbrance upon any of the assets of the Station owned by Station Licensee other than as set forth on Schedule 10.2(d).

11. ***Representations and Warranties of Service Provider.*** Service Provider represents and warrants to Station Licensee as follows:

11.1 *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement by Service Provider have been duly authorized by all necessary organizational action on the part of such party. This Agreement has been duly executed and delivered by Service Provider and constitutes the legal, valid, and binding obligation of such party, enforceable against it in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, insolvency, reorganization or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

11.2 *Absence of Conflicting Agreements and Required Consents.* The execution, delivery, and performance by Service Provider of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (a) will not conflict with the organizing documents of Service Provider; (b) to the actual knowledge of Service Provider or its Affiliates, does not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Service Provider; and (c) does not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit to which Service Provider is a party or by which it is bound as of the date hereof.

12. **Insurance.** Station Licensee shall maintain in effect policies of insurance insuring the assets and the business of the Station pursuant to the terms, and subject to the conditions, of the JSA.

13. **Termination.**

13.1 **Mutual Agreement.** This Agreement may be terminated at any time by mutual agreement of the parties. This Agreement shall terminate as of the time immediately following the consummation of the Purchase Agreement.

13.2 **Automatic Termination.** This Agreement shall terminate automatically without any further action by the parties upon the termination of the JSA in accordance with its terms.

13.3 **Certain Matters Upon Termination.** No expiration or termination of this Agreement shall terminate the obligations of any party hereto to indemnify any other party for Third Party Claims under Section 14 of this Agreement, or limit or impair any party's rights to receive payments due and owing hereunder on or before the effective date of such termination or expiration.

14. **Indemnification.** After the Commencement Date, the indemnification provided by Article 8 of the JSA, the terms and conditions of which are hereby incorporated by reference and made a part hereof, shall be the sole and exclusive remedy of Station Licensee and Service Provider against the other party for any claim arising out of a breach of any representation, warranty, covenant or agreement herein or otherwise in connection with this Agreement; provided, that neither this Section 14 nor Section 8.7 of the JSA shall prohibit (a) injunctive relief (including specific performance) pursuant to Section 21 if available under Applicable Law or (b) any other remedy available at law or in equity for any fraud committed in connection with this Agreement.

15. **Force Majeure.** Any delay or interruption in the broadcast operation of the Station, in whole or in part, due to acts of God, strikes, lockouts, material or labor restrictions, governmental action, riots, natural disasters or any other cause not reasonably within the control of a party shall not constitute a breach of this Agreement, and no party shall be liable to any other party for any liability or obligation with respect thereto.

16. **Unenforceability.** Section 9.4 of the JSA is hereby incorporated by reference herein and made a part hereof.

17. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be given in accordance with Section 9.10 of the JSA.

18. **Assignment; Binding Agreement.** Neither party may assign this Agreement or delegate its obligations under this Agreement without the prior written consent of the other. Notwithstanding anything to the contrary contained herein, each party shall assign its rights and obligations under this Agreement to any Person to whom it assigns its respective rights and obligations under the JSA. Upon any assignment of this Agreement, Station Licensee shall pay,

or shall cause to be paid, all amounts accrued and owing to Service Provider as of the consummation date of such assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Any permitted assignee of any party hereto shall be a "party" to this Agreement for all purposes hereof.

19. **Entire Agreement; Amendment; Waiver.** This Agreement, the JSA, the KMYS Purchase Agreement, the Option Agreement and the exhibits and schedules hereto and thereto, embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. Notwithstanding anything to the contrary contained herein or in any of the other Transaction Documents, the parties acknowledge and agree that Service Provider may offset any amount owed by Station Licensee to Service Provider pursuant to this Agreement as a credit against any amount owed by Service Provider to Station Licensee pursuant to any other Transaction Document. No term or provision hereof may be changed, modified, amended, terminated or discharged (other than in accordance with its terms), in whole or in part, except by a writing which is dated and signed by the parties hereto. No waiver of any of the provisions or conditions of this Agreement or of any of the rights, powers or privileges of a party shall be effective or binding unless in writing and signed by the party claimed to have given or consented to such waiver.

20. **Governing Law; Waiver of Jury Trial.** Section 9.3 of the JSA is hereby incorporated by reference herein and made a part hereof.

21. **Specific Performance.** The parties hereby agree that the services to be provided hereunder are unique and that substitutes therefor cannot be purchased or acquired in the open market. For that reason, either party would be irreparably damaged in the event of a material breach of this Agreement by the other party. Accordingly, to the extent permitted by the Communications Act and the FCC Rules then in effect, either party may request that a decree of specific performance be issued by a court of competent jurisdiction, enjoining the other party to observe and to perform such other party's covenants, conditions, agreements and obligations hereunder, and each party hereby agrees neither to oppose nor to resist the issuance of such a decree on the grounds that there may exist an adequate remedy at law for any material breach of this Agreement.

22. **Confidentiality.** Each party hereto agrees that it will not at any time during or after the termination of this Agreement disclose to others or use, except as duly authorized in connection with the conduct of the business or the rendering of services hereunder, any secret or confidential information of the other parties hereto. To the extent required by the Communications Act or the FCC Rules, each party shall place a copy of this Agreement in its public inspection file and shall consult with and agree upon the confidential and proprietary information herein that shall be redacted from such copy.

23. **Setoff.** Service Provider shall have the right to setoff any amount due hereunder by Station Licensee to Service Provider that is not paid to Service Provider within fifteen (15) days that such payment is due against any amounts previously owed, currently owed, or to be owed at any time in the future by Service Provider or any of its affiliates to Station Licensee or

any of its affiliates under this Agreement or any other agreement to which Station Licensee and Service Provider or any of their affiliates are parties.

24. **Press Release.** Section 9.17 of the JSA is hereby incorporated by reference and made a part hereof.

25. **Further Assurances.** The parties hereto shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

26. **Counterparts and Facsimile Signatures.** 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. This Agreement shall be legally binding and effective upon delivery of facsimile signatures.

27. **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.

28. **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.

[SIGNATURE PAGE FOLLOWS]

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

STATION LICENSEE:

Deerfield Media (San Antonio) Licensee, LLC

By: Deerfield Media (San Antonio), Inc.

By: 

Name: *STEPHEN P. MUMBLOW*

Title: *PRESIDENT*

SERVICE PROVIDER:

KABB Licensee, LLC

By: **Sinclair Communications, LLC**

By: _____

Name:

Title:

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

STATION LICENSEE:

Deerfield Media (San Antonio) Licensee, LLC

By: Deerfield Media (San Antonio), Inc.

By: _____

Name:

Title:

SERVICE PROVIDER:

KABB Licensee, LLC

By: Sinclair Communications, LLC

By: David B. Kraft

Name: David B. Kraft

Title: