

Amendment Number 2

**Restrictions on the Insulated Members of
SP Granite Holdco 1 LLC,
SP Granite Holdco 2 LLC and
SP Granite Holdco 3 LLC**

This and nine other contemporaneously-filed applications seek consent of the Federal Communications Commission to the transfer of control of the broadcast license subsidiaries of Granite Broadcasting Corporation, Debtor-in-Possession, from W. Don Cornwell to SP Granite LLC. By this Amendment Number 2, SP Granite updates the information provided in Exhibit 15 of this Application.

Under the provisions of the Limited Liability Company Operating Agreement of each of SP Granite Holdco 1 LLC, SP Granite Holdco 2 LLC, and SP Granite Holdco 3 LLC (collectively, the “Companies”), insulated members of each limited liability company will be subject to the following restrictions, which are essentially identical for each of the Companies:

Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:

- (a) act as an employee of the Company if such Insulated Member's functions directly or indirectly relate to the media or common carrier enterprises of the Company;
- (b) serve, in any material capacity, as an independent contractor or agent with respect to the Company's media or common carrier enterprises;
- (c) communicate with the owner or licensee of any FCC-licensed media or common carrier business in which the Company owns an interest or with the Company or any management committee of the Company on matters pertaining to the day-to-day operations of the Company's business;
- (d) vote on the admission of any additional or replacement Members to the Company unless such additional or replacement Member has been approved by each Non-Insulated Member of the Company then existing;
- (e) vote on the removal of any Member; provided, however, that the foregoing limitation shall not prohibit any Insulated Member from voting for removal of a Member (A) that is subject to bankruptcy proceedings; (B) that has been adjudicated incompetent by a court of competent jurisdiction; or (C) is removed for cause, provided that the existence of the factual basis for removal for cause first shall have been determined by an arbiter or other independent party;

(f) perform any services for the Company materially relating to its media or common carrier activities, except making loans to, or acting as a surety for, the Company; or

(g) become actively involved in the management or operation of the media or common carrier businesses of the Company[.]

In addition, each of the Companies' operating agreements includes the following provision specifying that the above clause shall be construed in accordance with the Commission's policies on insulation of members of limited liability companies:

“The restrictions in this Section [] shall be construed to effectuate the insulation of the Insulated Members from material involvement in the media business, including video programming activities, of the Company and of any entity in which the Company may hold an attributable interest”

As the attached chart demonstrates, these provisions follow the language included in the worksheet on limited partner/LLC member insulation included in FCC Form 315.

FCC Form 315 Worksheet	Operating Agreement
(1) an insulated limited partner/LLC member cannot act as an employee of the partnership/LLC if his or her functions, directly or indirectly, relate to the media enterprises of the company;	<p>Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:</p> <p>(a) act as an employee of the Company if such Insulated Member's functions directly or indirectly relate to the media or common carrier enterprises of the Company;</p>
(2) an insulated limited partner/LLC member may not serve, in any material capacity, as an independent contractor or agent with respect to the partnership's/LLC's media enterprises;	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(b) serve, in any material capacity, as an independent contractor or agent with respect to the Company's media or common carrier enterprises;</p>
(3) an insulated limited partner/LLC member may not communicate with the licensee or general partners/LLC members on matters pertaining to the day-to-day operations of its business;	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(c) communicate with the owner or licensee of any FCC-licensed media or common carrier business in which the Company owns an interest or with the Company or any management committee of the Company on matters pertaining to the day-to-day operations of the Company's business;</p>

FCC Form 315 Worksheet	Operating Agreement
(4) the rights of an insulated limited partner/LLC member to vote on the admission of additional general partners/LLC members must be subject to the power of the general partner/LLC management committee to veto any such admissions;	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(d) vote on the admission of any additional or replacement Members to the Company unless such additional or replacement Member has been approved by each Non-Insulated Member of the Company then existing;</p>
(5) an insulated limited partner/LLC member may not vote to remove a general partner/LLC member except where the general partner/LLC member is subject to bankruptcy proceedings, is adjudicated incompetent by a court of competent jurisdiction, or is removed for cause as determined by a neutral arbiter;	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(e) vote on the removal of any Member; provided, however, that the foregoing limitation shall not prohibit any Insulated Member from voting for removal of a Member (A) that is subject to bankruptcy proceedings; (B) that has been adjudicated incompetent by a court of competent jurisdiction; or (C) is removed for cause, provided that the existence of the factual basis for removal for cause first shall have been determined by an arbiter or other independent party;</p>
(6) an insulated limited partner/LLC member may not perform any services for the partnership/LLC materially relating to its media activities, except that a limited partner/LLC member may make loans to or act as a surety for the business; and	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(f) perform any services for the Company materially relating to its media or common carrier activities, except making loans to, or acting as a surety for, the Company; or</p>

FCC Form 315 Worksheet	Operating Agreement
<p>(7) an insulated limited partner/LLC member may not become actively involved in the management or operation of the media businesses of the partnership/LLC.</p>	<p><i>[Notwithstanding any other provisions of this Agreement, none of the Insulated Members shall do any of the following:]</i></p> <p>(g) become actively involved in the management or operation of the media or common carrier businesses of the Company.</p>