

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (this “*Agreement*”) is entered into as of _____, 2018, by and between New York (WPIX-TV), Inc., a Maryland corporation (“*Station Licensee*”), and [Sinclair Television Group, Inc.] (“*Service Provider*”).

WITNESSETH:

WHEREAS, on May 8, 2017, Tribune Media Company, Sinclair Broadcast Group, Inc (“*Sinclair Parent*”) parent entity of Service Provider, and Samson Merger Sub Inc., a Delaware corporation (“*Merger Sub*”) and a subsidiary of Sinclair Parent, entered into that certain Agreement and Plan of Merger (as amended, restated, modified or supplemented from time to time, the “*Merger Agreement*”) pursuant to which Sinclair will acquire, directly or indirectly, all assets used or held for in the operation of television broadcast station WPIX-TV, FCC Facility ID No. 73881, New York, NY (the “*Station*”);

WHEREAS, on [●], Station Licensee entered into that certain Asset Purchase Agreement with Service Provider and [●] (the “*Tribune Station Subsidiary*,” and together with Service Provider, the “*Seller Parties*”) (the “*Purchase Agreement*”) pursuant to which, immediately following the consummation of the transactions contemplated by the Merger Agreement and upon and following the consent of the FCC, Station Licensee will purchase and acquire the Purchased Assets (as defined in the Purchase Agreement), which include the FCC licenses and certain other non-license assets of the Station. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Purchase Agreement;

WHEREAS, on [●], Station Licensee has entered into that certain Option Agreement with Sinclair (the “*Option Agreement*”), pursuant to which Sinclair is granted an option to purchase, upon exercise and following the consent of the FCC, the licenses and certain assets of the Station.

WHEREAS, it is the parties’ expectation that Service Provider, with its experience and operating infrastructure, is capable of providing sales, services and other capabilities to Station Licensee which are likely to advance the efficient promotion of the business development of the Station and improve the overall efficiency of its operating processes and reduce costs, thereby helping the Station to serve the television viewing public in the Market;

WHEREAS, to obtain important efficiencies through the sales, services and other capabilities of the Service Provider, which are likely to advance the efficient promotion of the business development of the Station, the parties hereto desire to enter into this Agreement; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, undertakings, covenants and agreements of the parties contained in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

Article I.
DEFINITIONS

Section 1.1 ***Terms Defined in this Section.*** The following terms, as used in this Agreement, shall have the meanings set forth in this Section:

“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” means the Closing Date (as defined in the Purchase Agreement) under the Purchase Agreement.

“Communications Act” means the Communications Act of 1934, as amended, as in effect from time to time.

“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.

“Network” means any national television network party to any network affiliation agreement to which Station Licensee is a party with respect to the Station.

“Non-Primary Spectrum” means the portion of the Station’s digital broadcast spectrum authorized by the FCC for the operation of the Station that is not used or intended for use in the transmission of the Station’s Primary Channel.

“Obligations of Service Provider” means any and all obligations and duties of Service Provider under this Agreement.

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

“**Primary Channel**” means that portion of the program transport feed of the Station’s digital signal that constitutes the primary video and audio stream of the Station’s digital signal.

“**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 [Option Agreement], and the other documents, agreements and instruments executed by the parties hereto and thereto in connection therewith.

Section 1.2 **Additional Defined Terms.** In addition to the defined terms in the preamble, recitals and Section 1.1 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>
Advertisements	Section 4.1(a)
Broadcast Material	Section 4.3
Designated Expenses	Schedule 3.1
Disclosure Statement	Section 5.2(c)
Indemnified Party	Section 8.4(a)
Indemnifying Party	Section 8.4(a)
Initial Term	Section 2(a)
Licensee Revenue Share	Section 3.1(a)
Loss	Section 8.1
MVPD	Section 5.1(g)
National Advertisements	Section 4.1(a)
Net Sales Revenue	Schedule 3.1
Operating Budget	Section 5.1(d)
Other Advertisements	Section 4.1(a)
Other Expenses	Schedule 3.1
Policy Statement	Section 4.3
PSAs	Section 4.1(b)
Sales Fee	Section 3.1
Service Provider Assignee	Section 9.14(a)
Service Provider Indemnified Party	Section 8.2
Services Fee	Section 3.2
Station Expenses	Schedule 3.1
Station Indemnified Party	Section 8.1
Television Advertisements	Section 4.1(a)
Term	Section 2.1(b)
Website Advertising	Section 4.1(c)

Article II.
TERM

Section 2.1 **Term.**

(a) **Initial Term.** This Agreement shall be deemed effective, and the initial term hereof shall commence, on and as of 12:01 a.m., local Station time on 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 of this Agreement.

(b) **Renewal Term.** This Agreement shall be renewed automatically for five successive eight-year renewal terms (the Initial Term and any such renewal term hereinafter referred to as the “**Term**”) unless Service Provider provides Station Licensee with written notice of non-renewal at least one-hundred-eighty (180) days prior to the expiration of the then-current Term.

Section 2.2 **Termination.** This Agreement may be terminated prior to the expiration of the Term as follows:

(a) By either Station Licensee or Service Provider, by written notice to the other party, if, subject to Section 9.4, this Agreement shall have been declared invalid or illegal in whole or in material part by an order or a decree of the FCC or any other administrative agency or court of competent jurisdiction, and such order or decree shall have become final and shall no longer be subject to further administrative or judicial review;

(b) Automatically at 12:01 a.m. on the date of consummation of the closing pursuant to the Option Agreement (the “Option Closing”);

(c) By the mutual consent of Station Licensee and Service Provider;

(d) By Station Licensee, by written notice to Service Provider if Service Provider fails to timely make any payment required under this Agreement;

(e) By Station Licensee, by written notice to Service Provider if Service Provider fails to observe or perform any other obligation contained in this Agreement in any material respect or breaches any representation, warranty or covenant made by it under this Agreement in any material respect; or

(f) By Service Provider, by written notice to Station Licensee if Station Licensee fails to timely make any payment required under this Agreement;

(g) By Service Provider, by written notice to Station Licensee if Station Licensee fails to observe or perform any obligation contained in this Agreement in any material respect or breaches any representation, warranty or covenant made by it under this Agreement in any material respect.

Notwithstanding the foregoing, any breach or default under Section 2.2(d), (e) (f) or (g) will not be deemed to have occurred until thirty (30) calendar days after the non-defaulting party has provided the defaulting party with written notice specifying the event of default and such event of default remains uncured. Upon the occurrence of an event of default, and in the absence

of a timely cure pursuant to this Section 2.2, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

Section 2.3 *Certain Matters Upon Termination.*

(a) *Continuing Obligations.* No expiration or termination of this Agreement shall terminate the indemnification obligations of Service Provider or Station Licensee hereunder, relieve a party of any obligation or liability for breach or default prior to termination, or limit or impair any party's rights to receive payments that were due and owing hereunder on or before the effective date of such termination.

(b) *Cooperation.* If this Agreement expires or is terminated for any reason, the parties shall cooperate in good faith to restore the status quo ante. Notwithstanding anything to the contrary contained in this Agreement, if this Agreement is terminated pursuant to Section 2.2(b) following the Option Closing, the parties shall cooperate with each other as may be reasonably requested to effect an allocation of the revenues and expenses for any partial calendar month resulting from such termination or to effect any working capital payment required in connection with such.

(c) *Further Assurances.* Without limiting the foregoing, Service Provider shall immediately return to Station Licensee any equipment or property of the Station owned by Station Licensee and used by Service Provider, its employees or agents, in the same condition as such equipment existed on the date hereof, reasonable and ordinary wear and tear excepted and Station Licensee shall offer employment to Transferred Employees at a monetary compensation (consisting of base salary, commission rate and normal bonus opportunity) and on terms and conditions that are at least as favorable as those provided by Service Provider as of the Employment Commencement Date; provided, however, that the provisions of this Section 2.3(c) shall not apply in the event of termination pursuant to Section 2.2(b) following the Option Closing.

Article III.
CONSIDERATION

Section 3.1 *Licensee Revenue Share and Sales Fee.*

(a) *Sales Fee.* As consideration for the sales services of Service Provider hereunder, with respect to each calendar month during the Term, Service Provider shall have the right to retain an amount equal to thirty percent (30%) of the total amount of Net Sales Revenue for such calendar month as its commission with respect to its sales agency and other duties hereunder (the "*Sales Fee*"). With respect to each such calendar month during the Term, Service Provider shall pay over to Station Licensee an amount equal to the remaining seventy percent (70%) of the total amount of Net Sales Revenue for the applicable calendar month (the "*Licensee Revenue Share*").

(b) *Due Date.* The Licensee Revenue Share shall be due and payable on the fifteenth (15th) business day of each calendar month and such Licensee Revenue Share and the corresponding Sales Fee shall be calculated with respect to the immediately preceding

calendar month in accordance with Schedule 3.1. The Licensee Revenue Share and Sales Fee shall be prorated for any partial calendar month during the Term.

Section 3.2 *Services Fee and Service Provider Costs.*

(a) *Services Fee.* In consideration for the non-sales related 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 3.2 hereto (the “*Services Fee*”). The Services Fee will be payable monthly, in arrears and will be prorated on a daily basis for the first and last months during which this Agreement is in effect. The payment of the Services Fee hereunder shall be due and payable upon, and subject to, the payments due in respect of such calendar month under Section 3.1 hereto.

(b) *Service Provider Costs.* Service Provider shall be solely responsible for the salaries, taxes and related costs for all personnel employed by Service Provider who are used by Service Provider in the performance of Service Provider’s obligations hereunder, including, without limitation, any publicity or promotional expenses incurred in performing its obligations hereunder.

Article IV.

SCOPE OF SERVICES

Section 4.1 *Sales and Related Services.*

(a) *Station Sales.* Except as expressly provided to the contrary herein, Station Licensee retains Service Provider on an exclusive basis (as to Station Licensee) to market and sell all forms of regional and local spot advertising (including political advertising), sponsorships, direct response advertising, paid programming (including infomercials), and all long-form advertising broadcast on the Station, including, for the avoidance of doubt, on the Station’s Primary Channel and its Non-Primary Spectrum (the “*Television Advertisements*”) and all forms of advertisements relating to distribution of the Station’s programming or otherwise utilizing the spectrum allocated to the Station, whether by mobile device or other means of distribution, whether or not now existing (the “*Other Advertisements*”), during the Term. National advertisements broadcast on the Station (the “*National Advertisements*”) shall be sold by Station Licensee’s national rep firm or such other entity designated by Service Provider. Service Provider shall determine the placement and duration of the Television Advertisements, Other Advertisements, National Advertisements and Website Advertising (as hereinafter defined) (collectively, the “*Advertisements*”); *provided, however*, that Station Licensee shall retain ultimate authority with respect to establishing or setting rates for Advertisements.

(b) *PSA Placements.* Service Provider acknowledges that the Station has in the past provided time for the promotion of public service organizations in the form of public service announcements (“*PSAs*”), and agrees to release spot time to Station Licensee for the broadcast of PSAs at times and in amounts consistent with the Station’s past practices. Service Provider and Station Licensee shall cooperate in good faith concerning the placement of

the PSAs to be broadcast on the Station; *provided, however*, that Station Licensee shall be ultimately responsible for selecting, obtaining and scheduling PSAs for broadcast on the Station.

(c) *Station Websites*. Service Provider shall have the exclusive right to sell any and all advertising on the Station Websites, including display advertising that appears in the same pageview as, or adjacent to, editorial content on such website, or advertising embedded into audio or visual content posted or otherwise displayed on such websites (including text ads, banner ads, instream ads, pre-roll ads, wallpaper ads, video ads and sponsorships) and (b) on any mobile applications or other new technology (collectively “**Website Advertising**”).

Section 4.2 ***Delivered Programming***. Commencing on the Commencement Date, Service Provider shall have the right, in its discretion, to provide to the Station Licensee for broadcast, simulcast or rebroadcast on the Station local news and other programming as described more particularly in Schedule 4.2 hereof (the “**Delivered Programming**”), in an amount less than the amount that would make the station “attributable” to the Service Provider under the FCC Rules. Service Provider shall be responsible for obtaining the rights to broadcast the Delivered Programming on the Station and for paying all costs incurred in obtaining such rights. To the extent permission is required to retransmit any Delivered Programming under Section 325 of the Communications Act, Service Provider hereby grants Station Licensee such permission. The Delivered Programming shall be subject to Station Licensee’s editorial judgment to the extent required by FCC Rules and the requirements of Section 4.3, including but not limited to the right of rejection or preemption of Station Licensee. All Delivered Programming shall be in conformity in all material respects with standards established by Station Licensee and consistent with similar programming broadcast on Sales Agent’s own television broadcast stations and shall otherwise conform to all Applicable Law, including the Communications Act, the FCC Rules and the intellectual property right of third parties.

Section 4.3 ***Content Policies***. All material furnished by Service Provider for broadcast on the Station, if any, including all Delivered Programming and Advertisements (collectively, “**Broadcast Material**”) shall comply with applicable federal, state and local regulations and policies including commercial limits in children’s programming. Station Licensee shall have the right to preempt any Broadcast Material to present program material of greater local or national importance. Station Licensee may reject any Broadcast Material if it reasonably determines that the broadcast of such material would violate Applicable Law or would otherwise be contrary to the public interest. Station Licensee shall promptly notify Service Provider of any such rejection, preemption, or rescheduling and shall cooperate with Service Provider in efforts to fulfill commitments to advertisers and syndicators. Schedule 4.3 sets forth Station Licensee’s statement of policy (the “**Policy Statement**”) with regard to the Broadcast Material. Service Provider shall ensure that the Broadcast Materials are in compliance with the terms of this Agreement and the Policy Statement.

Section 4.4 ***Pre-Commencement Accounts Receivable***. For the avoidance of doubt, any accounts receivable or revenue accrued as of the time prior to the Commencement Date shall not be included in Net Sales Revenue.

Section 4.5 ***Monthly Reports; Books and Records***. The following obligations shall begin on the first day of the first full calendar month beginning after the Commencement Date:

(a) On or before the fifteenth (15th) business day of each calendar month during the Term, Service Provider shall furnish Station Licensee with a report regarding Service Provider's sales by advertiser, of the Advertisements for the previous calendar month. Without limiting Schedule 3.1 hereof, Station Licensee shall have the right to review the books and records of Service Provider at reasonable times and upon reasonable notice, with respect to the sale of Advertisements and any other sales by Service Provider in connection with or related to its sale of the Advertisements for the Station.

(b) Station Licensee shall furnish to Service Provider information each month with respect to Station Expenses. Upon reasonable prior notice, Service Provider shall have the right at all reasonable times to review (and the right, at Service Provider's expense, to make copies of) the books and records of Station Licensee, *provided* that the foregoing access shall not interfere unreasonably with the Station's business.

(c) The audit and inspection rights of Service Provider under this Section 4.5 shall survive any termination or expiration of this Agreement for a period of two (2) years.

Section 4.6 ***Control.*** Notwithstanding anything to the contrary in this Agreement, the parties hereto acknowledge and agree that during the Term, Station Licensee will maintain ultimate control and authority over the Station, including, specifically, control and authority over the Station's operations, finances, personnel and programming. Without limiting the generality of the foregoing, nothing contained in this Agreement shall be deemed to limit the control and authority of Station Licensee with respect to the selection, development and acquisition of any and all programming to be broadcast over the Station, as well as the payment therefore (subject to the provisions of Section 4.2 with regard to payment). To that end, Station Licensee shall (a) have and maintain exclusive authority for the negotiation, preparation, execution and implementation of any and all programming agreements for the Station, and (b) retain and hire or utilize whatever employees Station Licensee reasonably deems appropriate or necessary to fulfill those and other functions. Without limiting the generality of the foregoing, Station Licensee shall employ no fewer than the number of employees required to comply with its obligations as a broadcast licensee under the Applicable Law and such personnel shall (x) be retained solely by, and report solely to, Station Licensee, and (y) have no involvement or responsibility with respect to the business and operation of Service Provider. Service Provider shall not represent, warrant or hold itself out as the licensee of the Station, and all sales material prepared by Service Provider for the sale of advertising time on the Station shall identify Station Licensee as the licensee of the Station using mutually agreeable wording and references. Service Provider shall sell advertising time and enter into all agreements for the sale of time on the Station. .

Article V.

OTHER OBLIGATIONS OF THE PARTIES

Section 5.1 ***Responsibilities of Station Licensee.*** Station Licensee, at its expense, shall be responsible for and perform the following obligations with respect to the business and operations of the Station during the Term, in accordance with and subject to the following provisions:

(a) *Control.* Station Licensee shall continue to maintain full control, management and otherwise, over the operations of the Station, including programming editorial policies, employees of Station Licensee and Station Licensee-controlled facilities. Station Licensee shall be responsible for, and shall comply in all material respects with all applicable provisions of the Communications Act, the FCC Rules and all other Applicable Law with respect to the operation of the Station. Station Licensee shall file in a timely and complete manner all reports and applications required to be filed with the FCC or any other governmental body.

(b) *Insurance.* Station Licensee shall maintain in effect policies of insurance insuring the assets and the business of the Station in accordance with good industry practices.

(c) *Assets.* Station Licensee shall use, operate, and maintain all of its assets in a commercially reasonable manner. If any loss, damage, impairment, confiscation or condemnation of any of such assets occurs, Station Licensee shall use commercially reasonable efforts and cooperate with Service Provider to repair, replace, or restore the assets to their prior condition as soon thereafter as possible, and Station Licensee shall use the proceeds of any claim under any insurance policy to repair, replace or restore any of the assets of the Station that are lost, damaged, impaired or destroyed.

(d) *Operating Costs.* Station Licensee shall be responsible for payment of all operating costs of the Station (excluding those costs to be borne by Service Provider in accordance with Section 5.2), including the cost of electricity, other utilities and rental or other payments with respect to any real property leased by Station Licensee, taxes, the Services Fee and the salaries, insurance, and other costs for all personnel employed by Station Licensee and, without limiting the foregoing, shall pay all other Station Expenses. Promptly following the Commencement Date, but in no event more than thirty (30) days thereafter, Station Licensee shall provide Service Provider a copy of the operating budget of the Station (collectively, the “*Operating Budget*”), which shall reflect Station Licensee’s good faith budget of reasonable and customary capital and other expenses necessary to the operations of the Station and not otherwise contemplated by the Designated Expenses, as determined by Station Licensee in its sole and absolute discretion. Station Licensee shall provide updated copies of the Operating Budget at least twice each year during the Term, identifying adjustments from time to time.

(e) *Music Royalties.* Subject to the Obligations of Service Provider, Station Licensee shall pay when due all music rights payments (including, without limitation, music performance rights, synchronization rights, and master use rights), if any, in connection with the broadcast and/or transmission of all announcements, including the Advertisements, and programming on the Station.

(f) *Station Costs and Expenses.* Subject to the provisions of Section 4.2 with regard to the Delivered Programming, Station Licensee shall be solely responsible for all costs and expenditures associated with the procuring of programming to be aired on the Station. Station Licensee shall pay over to Service Provider all funds received by Station Licensee each year from the Network and any other program syndicator or supplier for promotion of the Network and other programming on other stations or media, and Service

Provider shall use all such funds solely for their intended promotional or other similar purposes and in accordance with Section 5.3(b) hereof. Station Licensee shall cooperate with Service Provider in filing any necessary forms or reports required to obtain co-op reimbursement or other funds to which Service Provider is entitled under this Section 5.1(f). For the purposes of Schedule 3.1 hereof, Service Provider's receipt of promotional or co-op payments identified in this Section 5.1(f) shall not be considered a part of Net Sales Revenue and its expenditures of such promotional or co-op payments shall not be considered an expense for purposes of calculating Net Sales Revenue. To the extent that any network or program service agreement of Station Licensee provides that, in exchange for cash payment, additional spot time that otherwise would be used by such network or program service may be released for local sales by the Station, Station Licensee, upon request by the Service Provider, will obtain the release of such commercial spot inventory for the placement of Advertisements by the Service Provider, subject to Service Provider paying to Station Licensee the cash amount required for such release.

(g) *Retransmission Consent.* Station Licensee shall elect retransmission consent status with respect to the carriage of the signal of the Station by each cable, satellite, and other multichannel video providers ("*MVPD*") within the market of the Station, as permitted under the FCC Rules. Service Provider shall take such steps as are reasonably necessary to effectuate such elections. Subject to the provisions of any network affiliation or other programming agreement to which Station Licensee is a party, Station Licensee authorizes, and it shall be the right and responsibility of, Service Provider to negotiate and grant retransmission consent to MVPDs and to enter into contracts, in the name of Station Licensee on behalf of the Station. Station Licensee shall consult and cooperate with Service Provider in the negotiation, maintenance and enforcement of retransmission consent agreements with cable, satellite and other multichannel video providers. 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.

(h) *FCC Licenses.* Station Licensee shall not take any action or unreasonably omit to take any action that would be reasonably likely to result in a (i) revocation, non-renewal or material impairment of the FCC Licenses, (ii) material adverse effect upon the Station's transmitters, antennae and other material assets included in the Station's transmission facilities or (iii) material breach or default under the terms of any of the agreements to which Station Licensee is a party on and as of the date hereof. Station Licensee, and all programming provided by Station Licensee on the Station, shall comply in all material respects with the Communications Act, the FCC Rules and other Applicable Law.

(i) *Sales Representation.* Station Licensee shall list Service Provider as the exclusive sales representative for the Advertisements in all applicable trade listings and advertising and promotional material if and when such listings and material are published by Station Licensee.

(j) *Limitations.* During the Term, Station Licensee shall not: (i) engage in any business other than the business of owning and operating the Station; (ii) incur any liabilities or obligations, except those liabilities and obligations incurred in connection with its

business conducted in compliance with clause (i) of this Section 5.1(j); (iii) file a voluntary petition in bankruptcy, any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment of debt, liquidation or dissolution or similar relief under any present or future insolvency statute, law or regulation of any jurisdiction; petition or apply to any tribunal for any receiver, custodian or any trustee for substantially all of its properties or assets; file any answer to any such petition admitting or not contesting the material allegations of any such petition sufficient to support the grant or approval of any such order, judgment or decree; seek, approve or consent to any such proceeding or in the appointment of any trustee, receiver, sequestrator, custodian, liquidator or fiscal agent for it or substantially all of its properties or assets; or take any action for the purpose of effecting any of the foregoing; or be the subject of an order entered appointing any such trustee, receiver, custodian, liquidator or fiscal agent or (iv) amend or modify any provision of that certain management agreement by and between Station Licensee and Service Provider, dated as of the date hereof (the “*Management Agreement*”).

Section 5.2 *Marketing and Sales Responsibilities of Service Provider.* Service Provider, at its expense and subject to the provisions of Schedule 3.1, shall be responsible for and perform the following obligations with respect to the marketing and sale of the Advertisements during the Term in accordance with and subject to the following provisions:

(a) *Commissions and Expenses.* Service Provider shall be solely responsible for (i) all commissions to its employees, agencies or representatives and other expenses incurred in its marketing and sale of the Advertisements; (ii) all expenses incurred in its performance of traffic, billing and collections functions with respect to the Advertisements; (iii) any other fees incurred in performing its obligations under this Agreement; and (iv) all fees related to the software used for sales, traffic, billing and similar functions including any fees charged by the provider to make Service Provider’s software interface in the most efficient manner with the Station’s master control equipment.

(b) *Salaries.* Service Provider shall be solely responsible for the salaries, taxes and related costs for all personnel employed by Service Provider in the sale of the Advertisements and the collection of accounts receivable (including salespeople, billing personnel and traffic personnel).

(c) *FCC Rules Compliance.* Service Provider shall cooperate with Station Licensee and use commercially reasonable efforts to assist Station Licensee in complying with the provisions of the Communications Act and FCC Rules regarding political advertising, including compliance with Station Licensee’s statement disclosing political advertising rates and practices for purchasers of political advertising consistent with Applicable Law (“*Disclosure Statement*”). Service Provider shall supply such information promptly to Station Licensee as may be necessary to comply with the public inspection file, lowest unit rate, equal opportunities and reasonable access requirements of the Communications Act and FCC Rules. If the Station fails to meet the political time obligations under the Communications Act and FCC Rules based on the advertising sold by Service Provider, then, to the extent reasonably necessary to enable Station Licensee to cause the Station to comply with such political time obligations, Service Provider shall release advertising availabilities to Station Licensee; *provided, however*, that all revenues realized by Station Licensee from the sale of such advertising time shall be immediately paid to Service Provider and shall be considered a part of its Net Sales Revenue.

(d) *Audience Measurement.* The parties acknowledge and agree that the acquisition or provision of audience measurement services is material to the performance by Service Provider of its services hereunder and, accordingly, Service Provider shall have, subject to Section 4.6 hereof, the right to direct the management of such audience measurement and related services for the Station on behalf of Station Licensee.

(e) *Compliance.* All Broadcast Material shall comply in all material respects with the Policy Statement, the Communications Act, the FCC Rules and other Applicable Law and shall not violate the intellectual property rights of any Person. All services to be provided and all obligations to be performed by Service Provider hereunder shall comply in all material respects with all Applicable Law, including without limitation the Communications Act and FCC Rules, and standards of performance customary for the broadcast television industry.

(f) *Non-Discrimination.* In accordance with Paragraphs 49 and 50 of United States Federal Communications Commission Report and Order No. FCC 07-217, Service Provider shall not discriminate in any contract for advertising on the Stations on the basis of race or gender, and all such contracts shall be evaluated, negotiated and completed without regard to race or gender. Service Provider shall include a clause to such effect in all contracts for advertising on the Station, and if requested shall provide written confirmation of compliance with such requirement.

Section 5.3 ***Technical, Promotional and Other Services.*** Subject to Station Licensee's ultimate supervision and control, Service Provider agrees to provide 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:

(a) *Technical Services.*

(i) 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 hereof; provided, however, subject to the obligations of Service Provider pursuant to Section 5.2 hereof and Schedule 3.1 hereto, Station Licensee shall be responsible for all capital and equipment replacement expenditures, except for those relating to equipment and other tangible personal property being provided to Station Licensee pursuant to the terms of Section 5.6 hereof.

(ii) 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.

(b) *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 (x) 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 (y) combine the current Station website with a website for one or more of Service Provider's station(s) and be operated as a single website for the Station and Service Provider's station(s) or otherwise include in the navigation structure of each such website for the Station and the Service Provider's station(s) links and navigation to such other site, and (z) 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 Service Provider's other stations.

(c) *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.

Section 5.4 ***Delivery of Broadcast Material.*** All Broadcast Material shall be delivered to the Station in a format to be mutually agreed upon by the parties hereto, in a form ready for broadcast on the Station's existing playback equipment, and with quality suitable for broadcast. Station Licensee shall not be required to provide production services or to copy, reformat or otherwise manipulate material furnished by Service Provider other than inserting tape cartridges or similar broadcast-ready media into machinery or computers for broadcast.

Section 5.5 ***Access to Information.*** In order to ensure compliance with the Communications Act, the FCC Rules and other Applicable Law, Station Licensee shall be entitled to review at its reasonable discretion from time to time any Broadcast Material that Station Licensee may reasonably request. Service Provider also shall maintain and deliver to the Station such records and information required by the FCC Rules to be placed in the public inspection files of the Station pertaining to the sale of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the FCC Rules, and to the sale of sponsored programming addressing political issues or controversial issues of public importance, in accordance with the provisions of Section 73.1212 of the FCC Rules. Station Licensee shall be responsible for placing all required information in the Station's online public inspection file, including but not limited to any required information as to political advertising. Service Provider shall furnish to Station Licensee upon request any other information that is reasonably necessary to enable Station Licensee to prepare any records or reports required by the FCC or other governmental entities. Nothing in this Section 5.5 shall entitle Station Licensee to review the internal corporate or financial records of Service Provider. Station Licensee shall keep confidential any information obtained from Service Provider in connection with this Agreement, except as and to the extent required by Applicable Law. If this Agreement is terminated, Station Licensee shall return to Service Provider all information obtained by it from

Service Provider in connection with this Agreement. This Section 5.5 shall survive any termination or expiration of this Agreement for a period of three (3) years.

Section 5.6 **Property.** 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 (i) to 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 4* attached hereto (the “**Lease Terms**”) and (b) the use of certain tangible personal property with respect to the 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.

Article VI.

REPRESENTATIONS AND WARRANTIES OF STATION LICENSEE

Station Licensee represents and warrants to Service Provider as follows:

Section 6.1 **Authorization and Binding Obligation.** The execution, delivery, and performance of this Agreement by Station Licensee has been duly authorized by all necessary organizational action on the part of Station Licensee. This Agreement has been duly executed and delivered by Station Licensee and constitutes the legal, valid, and binding obligation of it, 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.

Section 6.2 **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, 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 hereof; 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 any lien for current taxes, payments of which are not yet due and payable, or liens in respect of pledges or deposits under worker’s compensation laws or similar legislation, carriers’, warehousemen’s, mechanics’, laborers’ and materialmen’s and similar liens, if the obligations secured by such liens are not then delinquent or are being contested in good faith by appropriate proceedings.

Article VII.

REPRESENTATIONS AND WARRANTIES OF SERVICE PROVIDER

Service Provider represents and warrants to Station Licensee as follows:

Section 7.1 **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 such party 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.

Section 7.2 **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 governing documents of Service Provider; (b) to the actual knowledge of Service Provider, 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.

Article VIII.

INDEMNIFICATION AND REMEDIES

Section 8.1 **By Service Provider.** Service Provider shall indemnify, defend and hold harmless Station Licensee and any employee, director, member, manager, officer, stockholder, or agent of Station Licensee, or any of its Affiliates, successors or assignees (exclusive of Service Provider and its Affiliates and agents) (each, a "**Station Indemnified Party**"), from and against, and reimburse and pay to such Station Indemnified Party as incurred, any loss, liability, damage or expense (including reasonable legal expenses and costs and any cost or expense arising from or incurred in connection with any action, suit, proceeding, claim or judgment) relating to any matter described in this Section 8.1, or in enforcing the indemnity provided by this Section 8.1 (any such amount being a "**Loss**"), which any such Station Indemnified Party may suffer, sustain or become subject to, in any way arising from, relating to, or as a result of:

(a) any breach by Service Provider of any representation, warranty, covenant or other agreement hereunder or any act or omission, event or occurrence that was or shall be caused by Service Provider, its agents or Affiliates (including any predecessor in interest thereto) relating to the business of Service Provider or the Station;

(b) any action taken by such party or its employees or agents with respect to the Stations, or any failure by such party or its employees or agents to take any action with respect to the Stations, including but not limited to such party's payment and performance of obligations and liabilities, unless resulting from a failure by the other party to perform

hereunder, including but not limited to any omission by Service Provider or breach by Service Provider (including any predecessor in interest to Service Provider) of any of its obligations hereunder;

(c) any Broadcast Material, including but not limited to any claim for indecency, libel, slander, infringement of copyright or other intellectual property right, or violation of any right of privacy or proprietary right or violation of FCC rules or other applicable law, as a result of the broadcast on the Station of any Broadcast Material;

(d) Service Provider's use of the studios or equipment of the Station;

(e) any other claims of any nature, including any investigation initiated or fines or forfeitures imposed by the FCC, as a result of the broadcast on the Stations of any Broadcast Material;

(f) any violation of Applicable Law caused by the acts or omissions of Service Provider, its agents or Affiliates;

(g) the actions or omissions of Service Provider's employees and representatives in performing their duties under this Agreement or in acting outside the scope of their employment.

The obligations of Service Provider under this Section 8.1 shall survive any termination or expiration of this Agreement. The obligations of Service Provider under this Section 8.1 shall be direct and not conditioned or conditional upon Station Licensee's pursuit of remedies against any other party. Notwithstanding anything to the contrary contained herein, in no event shall Service Provider be liable under this Section 8.1 for punitive, treble, exemplary, consequential, special or other damages that have not been assessed against the Station Licensee, which damages are (and are intended to be) an indemnified Loss hereunder.

Section 8.2 By Station Licensee. Except with respect to or to the extent of any Loss subject to indemnification pursuant to the terms and subject to the conditions of Section 8.1, Station Licensee shall indemnify, defend and hold harmless Service Provider and any employee, director, member, manager, officer, stockholder or agent of Service Provider, or any of its Affiliates, successors or assignees (each, a "***Service Provider Indemnified Party***") from and against, and reimburse and pay to such Service Provider Indemnified Party, as incurred, any Loss, which any such Service Provider Indemnified Party may suffer, sustain or become subject to, in any way arising from, relating to, or as a result of:

(a) any breach by Station Licensee of any representation, warranty, covenant or other agreement hereunder or any act or omission, event or occurrence that was or shall be caused solely by Station Licensee, its agents or Affiliates (including any predecessor in interest thereto) relating to the business of Station Licensee or the Station;

(b) any violation of Applicable Law caused solely by the acts or omissions of Station Licensee, its agents or Affiliates;

(c) any libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from or relating to all material broadcast on the Station following the Commencement Date other than the Broadcast Material and with respect to which Station Licensee had notice or otherwise should have been reasonably aware; and

(d) the actions or omissions of Station Licensee's employees and representatives in performing their duties under this Agreement or in acting outside the scope of their employment, which actions or omissions constitute willful misconduct or gross negligence.

Section 8.3 **Maximum Liability.** The indemnification obligations of Station Licensee hereunder, in the aggregate, shall in no event exceed a maximum aggregate liability equal to the aggregate amount of the difference between (a) the total aggregate amount of Licensee Revenue Share retained by or otherwise paid over to Station Licensee hereunder, minus (b) all Services Fees paid to Service Provider under this Agreement. The payment of any indemnification obligation by Station Licensee under this Agreement shall in no event be due until and solely in the event of an Option Closing under the Option Agreement and in connection with such Option Closing the amount of indemnification shall be applied as a credit against the payment obligations of the Optionee (as defined in the Option Agreement) thereunder.

Section 8.4 **Procedure.** If party entitled to indemnification (an "**Indemnified Party**") under this Agreement shall notify the party from whom indemnification is to be sought (an "**Indemnifying Party**") of any claim or demand pursuant to Sections 8.1 or 8.2, and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party that the Indemnifying Party acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnified Party under Section 8.1 or 8.2, the Indemnifying Party shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend any such claim or demand asserted against the Indemnified Party for so long as the Indemnifying Party shall continue in good faith to diligently defend against such action or claim. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case five business days before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party of its election to defend in good faith any Third Party Claim or demand. So long as the Indemnifying Party is defending in good faith any such Third Party Claim or demand against the Indemnified Party, the Indemnified Party shall not settle or compromise such claim or demand without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, and the Indemnified Party shall make available to the Indemnifying Party or its agents all records and other material in the Indemnified Party's possession reasonably required by it for its use in contesting any Third Party Claim or demand. Whether or not the Indemnifying Party elects to defend any such claim or demand, the Indemnified Party shall have no obligations to do so. In the event (x) the Indemnifying Party elects not to defend such claim or action, or (y) if the Indemnifying Party elects to defend such claim or action but fails to diligently defend such claim or action in good faith, the Indemnified Party shall have the right to conduct the defense thereof and to settle or compromise such claim or action without the consent of the Indemnifying Party, except that with respect to the settlement or compromise of such a claim, demand or action, the

Indemnified Party shall not settle or compromise any such claim or demand or action without the consent of the Indemnifying Party (such consent not to be unreasonably withheld), unless the Indemnifying Party is given a full and completed release of any and all liability by all relevant parties relating thereto and has no obligation to pay any damages, except for the obligation to indemnify provided hereunder.

Section 8.5 ***Limitations on Liability.*** Notwithstanding any other provision of this Agreement, except as a result of fraud, neither party shall have any liability to the other party under any circumstances for special, indirect, consequential, punitive or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of any indemnified party

Section 8.6 ***Services Unique.*** The parties hereby agree that the services to be provided by the parties under this Agreement are unique and that substitutes therefor cannot be purchased or acquired in the open market. For that reason, the parties 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, the parties 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 the parties hereby agree 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.

Section 8.7 ***Exclusivity.*** After the Commencement Date, the indemnification provided by this Article 8 shall be the sole and exclusive remedy of either of Service Provider and Station Licensee against the other party hereto 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 this Section 8.7 shall not prohibit (a) injunctive relief (including specific performance) pursuant to Section 8.6 of this Agreement or 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. The provisions of this Article VIII shall survive any expiration or termination of this Agreement.

Article IX.
MISCELLANEOUS

Section 9.1 ***Amendment, Modification or Waiver.*** No amendment, modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

Section 9.2 ***No Waiver.*** No failure or delay on the part of the Station Licensee or Service Provider in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

Section 9.3 Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement shall be governed by, and construed in accordance with, the law of the State of Maryland without regard to its principles of conflict of law. The exclusive forum for the resolution of any disputes arising under this Agreement shall be the state or federal courts located in Baltimore County, Maryland, and each party hereto irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waives the defense of an inconvenient forum to the maintenance of any such action or proceeding. Each party agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. The parties hereto hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of this Agreement, including in particular the jury-trial waiver.

Section 9.4 Change in FCC Rules or Policies; Severability. In the event that the FCC determines that this Agreement does not comply with the Communications Laws, the parties shall negotiate in good faith and attempt to agree to an amendment to this Agreement that will provide the parties with a valid and enforceable agreement that conforms to the Communications Laws and preserves in all material respects the parties' rights, benefits and obligations under this Agreement. In the event that any of the provisions of this Agreement shall be held unenforceable, then so long as no party is deprived of the benefits of this Agreement in any material respect, the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect that renders any provision hereof unenforceable in any respect.

Section 9.5 Construction. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

Section 9.6 No Partnership or Joint Venture. This Agreement is not intended to be and shall not be construed as a partnership or joint venture agreement between the parties. No party to this Agreement shall be authorized to act as agent of or otherwise represent any other party to this Agreement.

Section 9.7 Entire Agreement. This Agreement and the Option, 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.

Section 9.8 Benefit and Assignment.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(a) Neither party may assign this Agreement or delegate its obligations under this Agreement without the prior written consent of the other party. Notwithstanding anything to the contrary contained herein, (i) Service Provider may assign its rights and obligations under this Agreement to (A) any Affiliate of Service Provider or (B) any successor in interest to or purchaser of the Non-Licensed Assets (each a “***Service Provider Assignee***”) upon written notice to Station Licensee;(ii) Station Licensee shall assign this Agreement and all of its rights and obligations hereunder to any Person to which the FCC Licenses are transferred or assigned, *provided* that as a condition to such transfer or assignment (A) this Agreement, the Management Agreement, the Option Agreement and all of Station Licensee’s rights and obligations hereunder and thereunder are assigned to such Person, which assignments are to be effective simultaneously, (B) such Person is legally and financially qualified to be the holder of the FCC Licenses and (C) such Person executes and delivers to the Service Provider an instrument in form and substance reasonably acceptable to Service Provider, accepting such assignments of this Agreement, the Option Agreement and the rights and obligations of Station Licensee hereunder and thereunder and agreeing to pay, discharge and perform the obligations and liabilities of Station Licensee hereunder and thereunder in accordance with the terms hereof and thereof and such other documents and instruments as Service Provider may reasonably request. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Any permitted assignee of a party hereto shall be a party to this Agreement for all purposes hereof.

(b) Notwithstanding anything to the contrary contained herein, Service Provider shall have the right to designate agents or otherwise subcontract with any third party to perform all or any portion of its obligations under the Agreement; *provided, however*, that Service Provider shall provide prior written notice to Station Licensee of any designation or subcontract pursuant to the foregoing and, *provided further*, that Station Licensee shall not be obligated to pay any amounts owing to Service Provider under this Agreement to any such third party and shall continue to pay all such amounts directly to Service Provider and, *provided further*, that Service Provider shall not be relieved of any of its obligations hereunder as a result of entering into any such arrangements with third parties.

Section 9.9 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

Section 9.10 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received (a) on the date of personal delivery, (b) on the date of transmission, if sent by facsimile, or (c) one business day after having been dispatched via a nationally recognized overnight courier service to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.10.

If to Station Licensee:

New York (WPIX-TV) Licensee, Inc.
2000 W. 41st Street
Baltimore, Maryland 21211
Attention: Michael Anderson, President
Facsimile:

With a copy, which shall not constitute notice, to:

Thomas & Libowitz, P.A.
100 Light Street, Suite 1100
Baltimore, Maryland 21202
Attention: Steven Thomas
Facsimile: 410-752-2046

If to Service Provider:

Sinclair Television Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: President & CEO
Facsimile: (410) 568-1533

With a copy, which shall not constitute notice, to:

Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attention: EVP, General Counsel
Facsimile: (410) 568-1537

Section 9.11 ***No Third-Party Beneficiaries.*** Except as provided in Section 9.8, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.12 ***Counterparts.*** This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.13 ***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 party. To the extent required by the Communications Act and FCC Rules, each party shall place a copy of this Agreement in its

public inspection file and shall consult with the other party and agree upon the confidential and proprietary information herein that shall be redacted from such copy.

Section 9.14 ***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.

Section 9.15 ***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.

Section 9.16 ***General Principles Governing Sharing and Services Arrangements***. All sharing and services 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.

Section 9.17 ***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 after 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.

Section 9.18 ***Press Release***. No party hereto shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated by this Agreement, the Purchase Agreement or the Option Agreement without the prior written consent of the other party hereto; *provided, however*, that nothing contained herein shall prevent any party from promptly making all filings with governmental authorities as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

Section 9.19 ***Gender and Number***. Words used herein, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

Section 9.20 ***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, this Master Services Agreement has been executed by the parties hereto effective as of the date first written above.

STATION LICENSEE:

[_____]

By: _____
Name:
Title:

SERVICE PROVIDER:

[_____]

By: _____
Name:
Title:

SCHEDULE 3.1

1. **Net Sales Revenue.** For purposes of this Agreement, the term “**Net Sales Revenue**” means (i) all gross revenue received by Service Provider or Station Licensee for all Advertisements, less agency, buying service or other sales commissions paid to or withheld by an advertiser, agency or service, as the case may be, (ii) any network compensation or other similar payments made to Station Licensee or otherwise paid in respect of the Station or its programming, (iii) any retransmission fees or other similar payments made to Station Licensee or otherwise paid in respect of the Station or its programming or other payments made to Station Licensee pursuant to any retransmission consent agreements and (iv) any other amounts designated for inclusion in the calculation of Net Sales Revenue pursuant to the terms and subject to the conditions of this Agreement.

2. **Station Expenses; Payments.**

2.1 In the event that due to the performance of the Station and the resulting revenues of the Station with respect to any given month during the Term, the total aggregate amount of Designated Expenses and Other Expenses exceeds the amount of the Licensee Revenue Share for such month, Service Provider shall pay to Station Licensee the differential of such amounts. Any expenses incurred by Station Licensee that do not constitute Designated Expenses or Other Expenses (including obligations pursuant to a credit or loan facility that is not designated as an Acquisition Financing Arrangement as provided below) shall remain solely the obligation of Station Licensee.

2.2 For purposes of this Agreement:

(a) “**Designated Expenses**” shall mean the sum of the actual out-of-pocket payments and expenses of Station Licensee for the following: (i) utilities associated with the Station’s transmitting facilities together with all other expenses, including rental payments, payable by Station Licensee under any lease for real property on which the Station is located or used exclusively for the operation of the Station, (ii) salaries for up to two of the Station’s full-time employees, one of which shall be the station manager, all at reasonable and customary rates for such employees, (iii) expenses related to maintenance and filings with respect to the FCC Licenses in respect of the Station and other expenses of compliance with FCC Rules and other Applicable Law in connection with the operation of the Station, including reasonable and customary attorneys’ fees of Station Licensee incurred in connection therewith, (iv) property taxes on any real property, personal property and leased property on which the Station is located or used exclusively for the operation of the Station, (v) with respect to the credit facility related to the acquisition by Station Licensee of the Purchased Assets or other financing arrangement to which Service Provider has agreed to be a guarantor (collectively, an “**Acquisition Financing Arrangement**”), the payments due by Station Licensee pursuant to such Acquisition Financing Arrangement (and any tax payments, if any, relating to such Acquisition Financing Arrangement), other than those payments due pursuant to such Acquisition Financing Agreement to the extent arising out of the failure of Station Licensee to make a timely payment thereunder for which Station Licensee had received timely payment hereunder or otherwise to the extent arising out of actions or omissions of Station Licensee in breach of such Acquisition Financing Arrangement (*provided*, that any payments under this clause shall be made directly to Station

Licensee), (vi) premiums and other out-of-pockets costs and expenses relating to any insurance that Station Licensee is required to maintain pursuant to the terms of this Agreement and/or the Option Agreement, (vii) all music rights payments required to be paid by Station Licensee (including music performance rights, synchronization rights, and master use rights), in connection with the broadcast and/or transmission of all announcements and programming on the Station, including the Advertisements, (viii) all payments for the acquisition or licensing of programming during the Term, including television network payments, (ix) the Services Fee and amounts payable under the Management Agreement, and (x) any costs or expense actually incurred by Station Licensee as a result of complying with its obligation to broadcast the Broadcast Material.

(b) “*Other Expenses*” shall mean expenses that are reasonably necessary or customary in the operation and maintenance of the Station, which have been consented to in advance in writing by Service Provider, *provided* that Station Licensee shall have no obligation under this Agreement to incur any Other Expenses in the absence of such consent and agreement to reimburse under this subparagraph (b).

(c) “*Station Expenses*” shall mean, collectively, Designated Expenses, Other Expenses, expenses in accordance with the Operating Budget, and any other expenses, distributions or payment obligations that are not contemplated by the Operating Budget.

2.3 In order to promote the administration of the payment obligations between the parties under this Agreement, the parties agree that (i) the amounts due and payable by one party under this Agreement may be offset against any outstanding payment obligation by the other party under this Agreement; and (ii) to the extent reasonably practicable, Service Provider shall deliver to Station Licensee in connection with the payment of the Licensee Revenue Share a single statement reflecting the respective payment obligations of the parties under this Agreement, which statement shall reflect any offsetting amounts.

SCHEDULE 3.2 SERVICES FEE

For each calendar month during the Term, Station Licensee shall pay, or shall cause to be paid, to Service Provider the Services Fee, consisting of the sum of the Base Services Amount and a performance bonus (the “*Performance Bonus*”), if any. The Performance Bonus, if any, shall be determined as set forth in this *Schedule 3.2*.

1. ***Definitions.*** The “*Base Services Amount*” shall be an amount equal to Two Million Dollars (\$2,000,000) for each month for the initial period of twelve months following the Commencement Date. The Base Services Amount shall increase by an amount of one and one-half percent (1.5%) beginning the thirteenth month following the Commencement Date, and each subsequent twelve-month anniversary of the Commencement Date.

2. ***Determination of Performance Bonus.*** To the degree that Station Licensee determines in good faith that the performance of Service Provider has contributed to an increase in the performance of the Station, Service Provider shall be eligible to receive a Performance Bonus with respect to the applicable month, which, if any, shall be in an amount determined by Station Licensee to reflect the value of the services provided by Service Provider relative to the performance of the Station for such month, which determination shall be in the sole and absolute discretion of Station Licensee.

3. ***Administration and Payment of Services Fee.*** No later than the fifteenth (15th) day of each calendar month during the Term, Service Provider shall deliver to Station Licensee a statement (the “*Monthly Statement*”) setting forth the total aggregate amount of Net Sales Revenue and Station Expenses for the preceding calendar month. Except as the parties may otherwise agree, the Services Fee shall be due and payable within five (5) business days of receipt by Station Licensee of such Monthly Statement and shall be subject to prior delivery and payment of the Licensee Revenue Share for such month. Solely in the event that Station Licensee shall determine, in its sole discretion, in accordance with Section 2 above of this *Schedule 3.2*, that a Performance Bonus shall be payable in respect of a given month, Station Licensee shall notify Service Provider of such determination and the amount, if any, of such Performance Bonus and, in such event, the Monthly Statement shall be adjusted to reflect such Performance Bonus, which shall be payable (y) to the extent reasonably practicable with the Services Fee or (z) at such other time as Station Licensee shall reasonably determine. In order to promote the administration of the payment obligations between the parties under this Agreement (including under both Sections 3.1. and 3.2 and Schedules 3.1 and 3.2 (individually and collectively, the “*Principal Obligation Provisions*”), the parties agree that (a) the amounts due and payable by one party under any of the Principal Obligation Provisions may be offset against any outstanding payment obligation by the other party under any of the Principal Obligation Provisions; and (b) to the extent reasonably practicable, Service Provider shall deliver to Station Licensee in connection with the payment of the Services Fee a single statement reflecting the respective payment obligations of the parties under each of the Principal Obligation Provisions, which statement shall reflect any offsetting amounts. Notwithstanding anything to the contrary contained in this Agreement, all payments payable to, or otherwise permitted to be retained by

the Service Provider, shall be subordinate in right of payment to the obligations owed by the Station Licensee and its affiliates to _____, as Administrative Agent pursuant to that certain Credit Agreement dated _____, as amended, modified, and supplemented from time to time.

SCHEDULE 4.1(c) EXCLUDED WEBSITE ADVERTISING

1. Any Website Advertising sold by a third party pursuant to a pre-existing contractual arrangement assumed by Station Licensee pursuant to the Purchase Agreement

SCHEDULE 4.2
SCHEDULE OF DELIVERED PROGRAMMING

SCHEDULE 4.3
POLICY STATEMENT FOR BROADCAST MATERIAL

Service Provider agrees to cooperate with Station Licensee in the broadcasting of programs of high quality and, for this purpose, to observe the following policies in the preparation, writing, production and delivery of Broadcast Material.

NO PLUGOLA OR PAYOLA. The station, its personnel, and its program suppliers shall not accept or agree to accept from any person any money, service, or other valuable consideration for the broadcast of any matter unless such fact is disclosed to the station so that all required station identification announcements can be made. All persons responsible for station programming must, from time to time, execute and deliver a payola affidavit and such other documents as may be required by station management to confirm their understanding of and compliance with the FCC's sponsorship identification and other anti-payola/plugola requirements.

ELECTION PROCEDURES. All "uses" of the station by legally qualified candidates for elective office shall be in accordance with the Communications Act and the FCC's Rules and policies, including without limitation, equal opportunities requirements, reasonable access requirements, lowest unit charge requirements and similar rules and regulations.

PROGRAMMING PROHIBITIONS. Service Provider shall not knowingly provide any of the following programs or announcements:

- (a) *False Claims.* False or unwarranted claims for any product or service.
- (b) *Unfair Imitation.* Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- (c) *Commercial Disparagement.* Any unlawful disparagement of competitors or competitive goods.
- (d) *Obscenity/Indecency/Profanity.* Any programs or announcements that are obscene or indecent, as those terms are interpreted and applied by the FCC.
- (e) *Fraudulent or Misleading Advertisement.* Any advertisement matter, announcement, or claim which Service Provider knows to be fraudulent, misleading, or untrue.

LOTTERIES. Announcements giving any information about lotteries or games prohibited by Applicable Law are prohibited.

CREDIT TERMS ADVERTISING. Any advertising of credit terms shall be made over the Station in accordance with Applicable Law.

NO ILLEGAL ANNOUNCEMENTS. No announcements or promotion prohibited by Applicable Law shall be made over the Station. At Station Licensee's request, any game, contest, or promotion relating to or to be presented over the Station must be fully stated and

explained in advance to Station Licensee, which reserves the right in its sole discretion to reject any game, contest, or promotion.

LICENSEE DISCRETION PARAMOUNT. In accordance with the responsibilities of Station Licensee under the Communications Act and the FCC Rules, Station Licensee reserves the right to reject or terminate any Broadcast Material proposed to be presented or being presented over the Station which is in conflict with the policy of Station Licensee or which in the reasonable judgment of Station Licensee would not serve the public interest.

PROGRAMMING IN WHICH SERVICE PROVIDER HAS A FINANCIAL INTEREST. Service Provider shall advise Station Licensee with respect to any Broadcast Material concerning goods or services in which Service Provider has a material financial interest. Any announcements for such goods and services for which Service Provider charges less than its regular rate shall clearly identify Service Provider's financial interest.

MISCELLANEOUS.

(a) *Waiver.* To the extent legally permissible, the parties may jointly waive any of the foregoing policies in specific instances if, in their opinion, good broadcasting in the public interest is served.

(b) *Prior Consent.* In any case where questions of policy or interpretation arise, Service Provider will attempt in good faith to submit the same to Station Licensee for decision before making any commitments in connection therewith.

EXHIBIT 4 LEASE TERMS

Pursuant to the terms and subject to the conditions of this Agreement, Service Provider shall provide Station Licensee with office space, equipment, and furnishings in the studio and business facilities located at [●] (the “*Service Provider Premises*”) as follows:

4. Lease; Rent.

4.1 During the Term, Service Provider shall provide to Station Licensee’s employees and agents the non-exclusive right, in common with Service Provider, to access and use of space and facilities in the applicable Service Provider Premises, including (a) accommodation of Station Licensee’s studio transmitter links from time to time, and (b) (i) furnishings and office equipment for a main studio for the Station at such locations in or near the Service Provider Premises, the grant of such rights as may be mutually acceptable to Service Provider and Station Licensee and in accordance with the FCC Rules, so long as the provision of such space and the use of such equipment do not unreasonably interfere with the conduct of Service Provider’s business or operations. Station Licensee acknowledges and agrees that (y) it inspected and accepts the Service Provider Premises in their “as is” condition, without any representations or warranties by Service Provider, or anyone acting or purporting to act on behalf of Service Provider, as to the present or future condition of such Service Provider Premises, except as specifically set forth in this Agreement; and (z) Service Provider shall have no obligation to perform any work therein, except as specifically set forth in this Agreement.

4.2 During the Term, Station Licensee shall pay Service Provider a monthly rent on the first of the month beginning the month following the date of this Agreement, of [Three Hundred Thousand Dollars (\$300,000)]. During the first sixty months, the rent payments under this section shall not be included in the “Station Expenses”, “Designated Expenses” or “Other Expenses” as defined in the Schedule 3.1.

5. During the Term, Service Provider shall give Station Licensee and its agents a nonexclusive and unrestricted right of access, in common with Service Provider, to the space provided for Station Licensee at the Service Provider Premises under Section 1 of this Exhibit 4 at all times, subject only to Service Provider’s reasonable security procedures and rules applicable to its own employees, as the Station Licensee reasonably requires for the conduct of the business of the Station and to fulfill its obligations as an FCC licensee. Station Licensee shall not use the Service Provider Premises for any other purposes without the prior written consent of Service Provider. Station Licensee shall use and occupy the Service Provider Premises in compliance with all Applicable Laws, ordinances, requirements and regulations of any applicable governmental authority and in accordance with all superior leases, mortgages, deeds of trust and encumbrances of record. The rights granted under this section shall include the incidental benefit and reasonable right of use of utilities (heat, water, electricity) provided for purposes of Service Provider’s own operations. In addition, Service Provider shall provide separate and, to the extent reasonably practicable, lockable office facilities for use by Station Employees and, subject to Service Provider’s reasonable prior approval, shall permit Station Licensee to install appropriate signs on the inside and outside of the Service Provider Premises (consistent with applicable local requirements governing such signage, if any, and the overall

appearance of the Service Provider Premises) identifying Station Licensee as the licensee of the Station. No alterations or additions may be made to the Service Provider Premises without the prior written consent of Service Provider, in its sole and absolute discretion, except as otherwise permitted under the Agreement.

6. Station Licensee shall be given a transition period (“*Transition-Tail Period*”) of one hundred eighty (180) days following the expiration or notice of termination of this Agreement in which to relocate the operations of the main studio of the Station and shall surrender the Service Provider Premises at such time in substantially the same condition as Station Licensee received such Service Provider Premises upon commencement of the Initial Term (including removing all signage installed by Station Licensee), subject only to reasonable wear and tear. All costs incurred by Station Licensee with respect to relocating the operations of the main studio of the Station following such termination shall be paid by Station Licensee. During such Transition-Tail Period, Station Licensee shall have access to the Service Provider Premises in the same manner as during the Term. Such Transition-Tail Period may be lengthened upon such terms and conditions as may be mutually agreeable to the parties in writing. If Station Licensee holds over beyond the expiration of the Transition-Tail Period, then, in addition to all other rights and remedies of Service Provider provided by Applicable Law or by the terms of this Agreement, Station Licensee shall pay to Service Provider an amount equal to the Services Fee last payable by Station Licensee under this Agreement prior to termination of this Agreement, prorated as a monthly amount, for each month or partial month of such holdover; provided, that, in such event, at any time, Service Provider, without waiving any other remedy that it may have, may use legal process to enter upon, take possession of the Service Provider Premises and expel or remove Station Licensee and any other person in occupancy thereof from the Studio Facility. Nothing contained in this Agreement shall be deemed a consent by Service Provider to the holding over by Station Licensee, nor a waiver of any other remedy which may be available to Service Provider. The obligations of Station Licensee under this Section 3 shall survive the termination of this Agreement.

7. Station Licensee shall not assign its rights under this Exhibit 4 or sublet or permit the occupancy or use of Service Provider Premises by any Person or entity other than Station Licensee, except as otherwise permitted under this Agreement.

8. Upon the failure by Station Licensee to make any payments set forth in this Exhibit 4 within fifteen (15) days that such payment is due and upon written notice of nonpayment from Service Provider, Service Provider may at any time after such notice, at its option, declare a default and accelerate the prior and remaining amount due to Service Provider hereunder and such amount shall be due and payable immediately by Station Licensee to Service Provider.

9. Without the necessity of any additional document being executed by Station Licensee for the purpose of effecting a subordination, this Agreement shall be subject and subordinate at all times to ground or underlying leases and to the lien of any mortgages or deeds of trust now or hereafter placed on, against or affecting the Service Provider Premises, Station Licensee’s interest or estate in the Service Provider Premises, or any ground or underlying lease; provided, that if the lessor, mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Station Licensee’s interest in this Agreement be superior to any such instrument,

then, by notice to Station Licensee, this Agreement shall be deemed superior, whether this Agreement was executed before or after said instrument. Notwithstanding the foregoing, Station Licensee covenants and agrees to execute and deliver within ten (10) days of delivery of Service Provider's request such further instruments evidencing such subordination or superiority of this Agreement as may be required by Service Provider. Within ten (10) days following delivery of any written request which Service Provider may make from time to time, Station Licensee shall execute and deliver to Service Provider or mortgagee or prospective mortgagee a sworn statement certifying such matters as may be requested by Service Provider.

10. With respect to any Service Provider Premises that are subject to a lease agreement with a third party, Station Licensee's rights under this Exhibit 4 shall automatically terminate upon the termination for any reason (including by reason of casualty or condemnation) of any superior lease for the Service Provider Premises. Station Licensee shall occupy the Service Provider Premises in compliance with any superior lease. Station Licensee shall have no rights under the superior lease for the Service Provider Premises, including any assignment or subletting, extension, renewal, first offer or purchase rights. Service Provider shall not be responsible for the failure of lessor or other counterparty to the superior lease for the Service Provider Premises to provide any services or utilities or access to the Service Provider Premises; provided, that to the extent of any failure of services, utilities or access, Service Provider shall use reasonable efforts to obtain such services, utilities or access from its landlord.