To: ***Bill Adee***

From: ***Mike Sinnott***

Re: ***Memorandum of Understanding – Radio***

Date: ***May 1, 2019***

This is a memorandum of understanding that outlines a partnership between the parties of Gow Media (Gow) and the Vegas Stats and Information Network (VSiN). Under this partnership, Gow Media would handle all aspects of the launch of the radio platform of the VSiN brand, tentatively to be called Point Spread Radio (PSR). Gow Media will manage affiliate sales, affiliate relations, advertising sales, distribution of shows, and accounts receivable/payable for VSiN programming that airs on terrestrial radio.

For the management of the network, Gow Media will receive a monthly fee of $12,056, which is broken down to the following costs:

Operations		
	Traffic	$1,806.00/month
	Counterpoint	$500.00/month
	T-1 Line to NYC	$1,000.00/month
	WWO Satellite	$5,000.00/month
Affiliations		$3,750.00/month
TOTAL		$12,056.00/month

This is an increase of $2,056.00 from your proposed $10,000/month base. The additional cost is for the affiliate sales and management function of the partnership. Our plan is to have two people assigned specifically to affiliate sales and relations during this partnership.

Gow Media agrees to an increase of $5,000.00 per month when affiliation is secured in four (4) of the following markets, as defined by Nielsen television Designated Market Areas (DMAs). Network radio is sold using Nielsen television DMAs, so this is our preferred measurement. To qualify as a "cleared" station under the provisions of this arrangement a station in each market most carry 10 hours of programming for the clearance to qualify for the additional $5,000.00 per month. Here' are the markets with DMA rankings:

-New York City (#1 DMA);
-Chicago (#3 DMA);
-Philadelphia (#4 DMA);
-Washington, D.C./Hagerstown, MD (#6 DMA);
-Houston (#7 DMA);
-Detroit (#14 DMA);
-Pittsburgh (#24 DMA); and,
-Las Vegas (#39 DMA).

Although Atlantic City is radio market #154, the radio stations there fall into the Philadelphia DMA for network radio purposes. That cuts the list from nine markets to eight, since Atlantic City is part of the Philadelphia DMA. With four clearances, that's a 50-percent clearance rate in eight of your key markets.

The thirty-two teams of the National Football League are located in 30 television DMAs. Three markets have two teams each (New York City; Los Angeles; San Francisco/Oakland/San Jose) while one team (Green Bay Packers) is in two TV DMAs (Milwaukee; Green Bay/Appleton).

Seven of the key markets are also NFL markets. (For the purposes of this memorandum, Las Vegas remains a key market, but is not an NFL market until 2020.) That leaves 23 television DMAs for 12 affiliates. Using the same 50-percent clearance metric for your key markets, Gow Media proposes an increase of $5,000.00 per month after securing a minimum of 10-hours of programming clearances on 11 stations in the 23 remaining NFL markets.

Key Markets (8)		
	10-Hours/Week 4 Affiliates	
		+ $5,000.00/MO.
NFL Markets (23 TV DMAs)		
	10-Hours/Week 11 Affiliates	
		+ $5,000.00/MO.

In regards to advertising sales, with multiple sellers, on-air products, and advertising partners, we will require a variety of revenue-sharing models.

For the VSiN Action Update, both Crossover Media and Focus 360 are selling "live" reads to the updates. In that arrangement, when the sale originates with Crossover (VSiN), then the split of net revenue is 60-40 in favor of VSiN. When the sale originates with Focus 360 (Gow Media), then the split of net revenue is 60-40 in favor of Gow Media.

When possible, Gow Media will encourage all advertising partners to include SB Nation Radio and "Sports Flash" inventory in proposals to potential advertisers. Until we can establish the Point Spread Radio Network as a stand-alone advertising platform, this "bundling" of Gow Media's radio network properties will increase audience delivery, inventory, and spot rates.

Using the Shell pitch as an example, let's suppose that Crossover had the opportunity to pitch a client that wanted 15-second, 30-second, and 60-second commercials as part of their campaign. Currently, Crossover has access to only the 15-second "live" reads in the Action Updates. Under this plan, Crossover could "bundle" available inventory for the Action Update, Point Spread Radio, and Gow Media's available radio network inventory into a single proposal.

For example, the net revenue allocated for the Action Updates would be distributed 60-40 in favor of VSiN; Gow Media would receive 30-percent of the net revenue for the spots that air on Point Spread Radio if the total monthly net revenue has exceeded $50,000 with 70-percent of the net revenue allocated to VSiN; and Gow would receive 70-percent of the net revenue for inventory allocated to air on Gow Media's SB Nation Radio or "Sports Flash" networks with VSiN receiving 30-percent of the net revenue

Here's a breakdown of the revenue-sharing model:

PRODUCT	VSiN Percentage	Gow Percentage
Action Update Gow Media Sells	40% Net Revenue	60% Net Revenue
Action Update VSiN Sells	60% Net Revenue	40% Net Revenue
Point Spread Radio Network	-100% of net revenue not to exceed $50,000/month -70% of net revenue that exceeds $50,000/month	30% of net revenue that exceeds $50,000/month
Bundled Inventory VSiN Clients airing spots on SBNR	30% Net Revenue	70% Net Revenue

As part of our agreement, Gow Media agrees to air 30-second remnant commercials that promote the VSiN brand and sell its products. The commercials will include a promo code that is dedicated to Gow Media. For each sale, Gow Media will receive whatever is the standard compensation for VSiN's revenue-sharing partners.

In addition, Gow Media will work to schedule regular guest appearances for VSiN hosts on SB Nation Radio Shows to discuss the betting news of the day and promote VSiN on our digital platforms.

Gow Media agrees to a one-year contract with a 90-day opt-out clause for either party.