

**TO: Bill Adee**  
**FROM: Mike Sinnott**  
**Re: SB Nation Radio & VSiN Partnership**  
**Date: January 3, 2019**

### **SB Nation Radio on VSiN**

We propose that SB Nation Radio provide the following shows to VSiN. Our programming can fill the hours that VSiN is currently "off the air" without programming:

|               |   |                                                             |
|---------------|---|-------------------------------------------------------------|
| 6-7 AM ET     | - | Tony D                                                      |
| 12-1 PM ET    | - | Patrick Creighton (or Matt Perrault's local hour from KBAD) |
| 1-3 PM ET     | - | Pushing the Odds with Matt Perrault                         |
| 10 P – 1 A ET | - | Alex Gold                                                   |
| 1A-6A ET      | - | Matt Harab                                                  |

With its gambling-specific content, "Pushing the Odds" with Matt Perrault is a perfect fit for VSiN's programming and fits into your daytime lineup of shows. Perrault's daily show originates from the Palms Casino Resort in Las Vegas. While the show airs from 1-3 PM ET on the network, the show also airs a local hour in Las Vegas on KBAD-AM from 12-1 PM ET. If you want to air the local hour as well, we could include the local hour on the feed that we provide to VSiN. Otherwise, we would air one-hour of Patrick Creighton's SB Nation Radio Show.

### **"The View from Vegas with VSiN" on SB Nation Radio**

For each SB Nation Radio show that airs on VSiN, we can include guest appearances from a VSiN host or contributor to provide the "View from Vegas with VSiN." This would be one tactic to ensure that gambling-centric content is airing on SB Nation Radio when our content is airing on the VSiN channel on SiriusXM.

To maintain the continuity of your streaming of live shows on VSiN, we could work to provide live video feeds to VSiN of our shows, when possible.

### **Adding original programming/commercial inventory without a capital investment**

In this partnership, when we provide SB Nation Radio programming to your SiriusXM 204 channel, you're essentially like any other terrestrial radio affiliate. As such, VSiN will receive 13:30 of commercials during each hour of SB Nation Radio programming. We will retain the 6:30 of network commercials during each hour.

The following chart shows how many hours of original programming that we will provide to VSiN each week with the corresponding number of commercials in minutes that you will have the opportunity to sell.

| SHOW                  | DATE/TIME     | HOUR(S)  | SPOTS IN MINUTES |
|-----------------------|---------------|----------|------------------|
| SB Nation AM (Tony D) | M-F (6-7 AM)  | 5        | 67:30            |
| Patrick Creighton     | M-F (12-1 PM) | 5        | 67:30            |
| Pushing the Odds      | M-F (1-3 PM)  | 15       | 202:30           |
| Alex Gold             | M-F (10P-1A)  | 15       | 202:30           |
| Matt Harab            | M-F (1-6A)    | 20       | 270              |
|                       |               | 60 HOURS | 810:00/WEEK      |

This presents an opportunity for you to add significant commercial inventory that you can sell without a significant capital investment in original programming. To add 60 hours of original programming to your lineup, you're looking at a staggering investment of time and money.

### **VSIN on SB Nation Radio**

Show clearances are important for the expansion of VSIN programming on terrestrial radio. SB Nation Radio can help facilitate show clearances for your programming.

Due to our current contractual obligations, including paid programming in the evenings, we have limited flexibility with our programming lineup, but we are open to airing VSIN shows to our programming lineup as time slots become available.

Here are some proposed VSIN show clearances on SB Nation Radio:

|                              |   |                                 |
|------------------------------|---|---------------------------------|
| Thursday Nights (8-10 PM ET) | - | My Guys in the Desert           |
| Saturday (12-2 PM ET)        | - | Betting Across America          |
| Saturday (2-3 PM ET)         | - | Best of "Follow the Money"      |
| Saturday (3-4 PM ET)         | - | Best of "My Guys in the Desert" |
| Sunday (12-2 PM ET)          | - | Betting Across America          |

If we can clear five SB Nation Radio shows on your SiriusXM 204, there's a good chance to push through the clearing of Brent Musburger's show for at least one hour each weekday on our terrestrial radio network.

|                           |   |                       |
|---------------------------|---|-----------------------|
| Monday-Friday (7-9 PM CT) | - | My Guys in the Desert |
|---------------------------|---|-----------------------|

In regards to VSIN's "Follow the Money" morning show, this is a show that would be a good fit for SB Nation Radio. If possible, clearing an encore presentation of this show immediately after our morning show would be the best fit. Currently, due to contractual obligations, this is not possible in the short-term, but is a possibility as we move forward in the year. The goal would be to eventually clear "Follow the Money" on SB Nation Radio.

At the start of the partnership, we might be able to air a "Best of Follow the Money" show on the weekends. The show would be produced by your VSIN staff and sent to us for airing on the terrestrial network. SB Nation Radio airs a strong revenue-generating lineup paid programming on the weekends, but after those shows, adding a show or two would make sense for us.

This includes the immediate addition of "Betting Across America" in the afternoons on Saturday and Sunday across our radio network. In addition, we propose adding a "Best of Follow the Money" and a "Best of My Guys in the Desert" to our weekend lineup.

### **Clearing "My Guys in the Desert" on Action Update Affiliates**

One tactic of securing clearance of "My Guys in the Desert" on SB Nation Radio is to securing some of the larger Action Update stations to clear the show either a live presentation, tape-delayed, or as a best-of "weekly" show. The big affiliates would be 670 The Score; 98.5 The Sports Hub; KNBR; and 97.5 The Fanatic.

If we can come to the table with those affiliates for SB Nation Radio, we certainly can clear "My Guys in the Desert" on SB Nation Radio

### **Development of new gambling-focused programming**

We propose the development of gambling-focused shows that would air on VSIN and SB Nation Radio.

Fred Faour hosts the afternoon show on our owned-and-operated ESPN 97.5 in Houston. The show ranks #1 in afternoon drive. Faour is the author of *Acing Racing: An introductory guide to*

*horse gambling for poker players, sports bettors and online action junkies*, which was published in 2011. In 2015, Faour along with his afternoon co-host A.J. Hoffman published *An Introduction to Sports Betting: Blitz Style*.

We would be interested in the possibility of developing a gambling-focused show featuring Fred Faour and, possibly, A.J. Hoffman. The show would originate from Houston and would air on SB Nation Radio and VSiN.

### **Revenue-Sharing vs. Inventory-Sharing**

The revenue-sharing model for the Action Updates is relatively straight-forward in that it is one platform with easily trackable revenue sourcing as one revenue stream.

Partnerships with multiple platforms and revenue streams are incredibly difficult to assign a revenue-sharing percentage based on the contribution to the whole. These partnerships often fail because one side or the other feels slighted in the contribution and creates friction when determine the distribution of revenue.

For example, a commercial that is sold on SB Nation Radio might be bundled with additional inventory on our sports, news, or other short-form programming features or a digital package. Adding VSiN inventory to the package would make it more attractive, but creates the difficulty of “unbundling” the contribution to determine the different shares for each partner.

Rather than a revenue-sharing partnership, we propose an inventory-sharing partnership in which VSiN will have access to commercial inventory that you can sell on our network platforms. That includes 15-second, 30-second, and 60-second commercials on our long-form (SB Nation Radio) and short-form programming (Sports Flash; News Flash; Race Flash; and other shows).

For each hour of network programming, we have 6:30 commercials available to sell to national advertisers. For each hour of SB Nation Radio programming that clears on VSiN's SiriusXM channel, we would provide with a percentage of inventory to sell. VSiN can sell that inventory and keep all of the revenue generated from those sales. All that you would need to do is to send us an order like any other advertiser, we will schedule the spots to air on the network, and provide you with an affidavit of performance that you can use when billing the advertiser.

### **Inventory-Sharing Scenarios**

VSiN receives a one-minute commercial per hour of SB Nation Radio programming that clears on VSiN's Sirius XM 204.

| SHOW                     | DATE/TIME          | HOUR(S) | SPOTS IN MINUTES |
|--------------------------|--------------------|---------|------------------|
| My Guys in the Desert    | Thursday (8-10 PM) | 2       | 2:00             |
| Betting Across America   | Saturday (12-2 PM) | 2       | 2:00             |
| Best of Follow the Money | Saturday (2-3 PM)  | 1       | 1:00             |
| Best of My Guys . . .    | Saturday (3-4 PM)  | 1       | 1:00             |
| Betting Across America   | Sunday (12-2 PM)   | 2       | 2:00             |
| TOTALS                   |                    | 8 HOURS | 8:00             |

With the clearance of "My Guys in the Desert" four days each week, that increases your inventory total to 14:00 minutes of commercials.

| SHOW                     | DATE/TIME            | HOURS    | SPOTS IN MINUTES |
|--------------------------|----------------------|----------|------------------|
| My Guys in the Desert    | Mon.-Thurs (8-10 PM) | 8        | 8:00             |
| Betting Across America   | Saturday (12-2 PM)   | 2        | 2:00             |
| Best of Follow the Money | Saturday (2-3 PM)    | 1        | 1:00             |
| Best of My Guys . . .    | Saturday (3-4 PM)    | 1        | 1:00             |
| Betting Across America   | Sunday (12-2 PM)     | 2        | 2:00             |
| TOTALS                   |                      | 14 HOURS | 14:00            |

### **VSIN ROS Inventory**

In addition, we can provide VSIN with run-of-schedule (ROS) inventory that will air Monday-Friday on our long-form programming. We can provide VSIN with a one-minute commercial per daypart (morning; midday; afternoon) for each weekday. That's three ROS spots per day, or 15:00 of ROS inventory per week.

| COMMERCIALS | MORNINGS (6-10A) | MIDDAY (10A-3P) | AFTERNOON (3-7P) | TOTAL |
|-------------|------------------|-----------------|------------------|-------|
| MONDAY      | 1:00             | 1:00            | 1:00             | 3:00  |
| TUESDAY     | 1:00             | 1:00            | 1:00             | 3:00  |
| WEDNESDAY   | 1:00             | 1:00            | 1:00             | 3:00  |
| THURSDAY    | 1:00             | 1:00            | 1:00             | 3:00  |
| FRIDAY      | 1:00             | 1:00            | 1:00             | 3:00  |
| TOTAL       | 5:00             | 5:00            | 5:00             | 15:00 |

This partnership means between 23:00-29:00 each week of commercial inventory that VSIN can sell to national advertisers. VSIN can keep all revenue generated from the sale of these commercials. If VSIN requires more commercial inventory than outlined in this agreement, then SB Nation Radio will provide the inventory to VSIN at a discounted rate. We could calculate the rate as 40-percent of the highest unit rate for the daypart. For example, if we charge \$100 for a 30-second midday commercial, then you pay us \$40 for the commercial and sell the commercial for whatever rate you can secure from your advertising partner.

### **VSIN Promotional Package on SB Nation Radio**

On SB Nation Radio, each week, we will provide promotional commercials that will promote VSIN, its web site, newsletter, and anything else that you'd like to promote. That's a total promotion package that exceeds \$318,500 annually.

| DAY       | PROMOS         | VALUE    | TOTAL             |
|-----------|----------------|----------|-------------------|
| MONDAY    | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| TUESDAY   | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| WEDNESDAY | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| THURSDAY  | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| FRIDAY    | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| SATURDAY  | 7 (30-SECOND)  | \$125.00 | \$875.00          |
| SUNDAY    | 7 (30-SECOND)  | \$125.00 | \$875.00          |
|           | 49 (30-SECOND) | \$125.00 | \$6,175.00/WEEK   |
|           | 212/MONTH      | \$125.00 | \$26,541.00/MONTH |
|           | 2,548/YEAR     | \$125.00 | \$318,500.00/YEAR |

In addition, we can include VSiN content and information on our web address: [www.sbnationradio.com](http://www.sbnationradio.com). This includes, but is not limited to banner advertisements that include a click-through link to [www.vsin.com](http://www.vsin.com). The inclusion of articles is also a possibility. Perhaps a weekly column from VSiN that posts to our radio network's web site.