

## ESPN PRODUCTIONS, INC. SPONSORSHIP AGREEMENT

This ESPN Productions, Inc. Sponsorship Agreement (this “**Agreement**”), dated as of May 2, 2018 (the “**Effective Date**”), is by and between ESPN Productions, Inc., d/b/a ESPN Events, with offices located at 11001 Rushmore Drive, Charlotte, North Carolina 28277 (“**EPI**”) and the City of Clearwater, with offices located at Municipal Services Building, 100 South Myrtle Ave., Clearwater, Florida 33756 (“**Sponsor**”) (each a “**party**” and collectively the “**parties**”).

NOW, THEREFORE, for the mutual promises set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties agree as follows:

### BASIC PROVISIONS

- I. **TERM:** The term of this Agreement commences on the Effective Date and continues through the completion of all of the parties’ respective obligations relating to the Events (defined below) (the “**Term**”), subject to Section 10 of Exhibit A.
- II. **EVENTS; SITE; DATES:** The events are: the 2019, 2020, and 2021 St. Pete/Clearwater Elite Invitational, a Division I college women’s softball tournament, owned and operated by EPI, set to be played at Eddie C. Moore Complex in Clearwater, Florida (the “**Site**”); the Sponsorship and/or Advertising Benefits may also include benefits with respect to ancillary events held in connection with the events described above as fully set forth in **Exhibit B** (each an “**Event**,” and collectively, the “**Events**”). The Events are scheduled to take place on the following dates:

2019 St. Pete/Clearwater Elite Invitational	February 14-17, 2019
2020 St. Pete/Clearwater Elite Invitational	TBD
2021 St. Pete/Clearwater Elite Invitational	TBD

### III. GENERAL TERMS AND CONDITIONS

As set forth in **Exhibit A**, attached hereto and incorporated herein by reference.

All terms and conditions of this Agreement, including without limitation, those set forth in Exhibit B and Exhibit C, are subject to such General Terms and Conditions.

### IV. SPONSORSHIP AND/OR ADVERTISING BENEFITS

As set forth in **Exhibit B**, attached hereto and incorporated herein by reference.

### V. ADDITIONAL SPONSORSHIP TERMS

As set forth in **Exhibit C**, attached hereto and incorporated herein by reference.

### VI. ESPN/ABC ADVERTISING REGULATIONS

As set forth in **Exhibit D**, attached hereto and incorporated herein by reference.

VII. GUIDELINES FOR USE OF ESPN MARKS

As set forth in Exhibit E, attached hereto and incorporated herein by reference.

VIII. ESPN'S MEDIA DELIVERY GUIDELINES

As set forth in Exhibit F, attached hereto and incorporated herein by reference.

IX. TWDC PI PROGRAM AND ILS PROGRAM

As set forth in Exhibit G, attached hereto and incorporated herein by reference

Exhibits D, E, F and G represent standard policies of EPI and/or its affiliated companies and are not subject to change; any changes to such exhibits, deviating from such standard policies, shall be null and void.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

**THE CITY OF CLEARWATER**

By \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
TITLE: \_\_\_\_\_

**ESPN PRODUCTIONS, INC.**

By  7/25/18  
Printed Name: Pete Derzis  
TITLE: Senior Vice President

**EXHIBIT A**  
**GENERAL TERMS AND CONDITIONS**

1. SPONSORSHIP AND/OR ADVERTISING BENEFITS

Subject to the terms of this Agreement and Sponsor's compliance with its obligations hereunder, EPI shall provide to Sponsor those Sponsorship and/or Advertising Benefits set forth in Exhibit B. Unless explicitly otherwise set forth in Exhibit B (and notwithstanding anything to the contrary, including without limitation Section A, paragraph 2 of Exhibit D), Sponsor may only use the Sponsorship and/or Advertising Benefits to advertise and promote Sponsor's specified products and services as set forth herein, solely in connection with the Event(s).

To the extent that the Sponsorship and/or Advertising Benefits hereunder include commercial units, billboards, scenics or other commercial or advertising presence within any of EPI's Distribution(s) (defined below) or promotion of the Program(s) (defined below) (all collectively, "**Commercial Units**"), EPI shall make commercially reasonable efforts (subject to EPI being prevented for reasons of force majeure as described in Section 9(a), below, or for other *bona fide* reasons) to include such Commercial Units (except to the extent the Sponsorship and/or Advertising Benefits provide otherwise) in EPI's first distribution of the applicable Program throughout the United States of America, on the network specified therein, for the promotion of Sponsor's products and services in accordance with, and subject to, the terms and conditions set forth below. In the event that EPI does not include the Commercial Units set forth in Exhibit B in EPI's first distribution of the applicable Program, then EPI shall provide Sponsor "make-good(s)" consistent with ESPN's/ABC's, as applicable, then-current make-good policy and practices.

a) In using such Commercial Units, Sponsor shall:

- i) promptly advise EPI of each product or service to be advertised and such other relevant information as EPI may request, and furnish EPI, no later than five (5) business days before the date of the distribution in question, with the fully-cleared audio, visual and/or audiovisual recordings and other requisite materials for airing Sponsor's Commercial Units according to the guidelines contained in EPI's Media Delivery Guidelines, attached hereto as **Exhibit F**.
- ii) observe and comply with ESPN, Inc.'s ("ESPN")/EPI's advertising regulations attached hereto as **Exhibit D**;

b) EPI may refuse to distribute any Commercial Unit or any element thereof that, in EPI's reasonable opinion,

- i) does not maintain an artistic and technical quality creditable to EPI;
- ii) fails to conform to the advertising regulations attached hereto or EPI's general practices and formats regarding commercials, as either may be modified from time to time; or

- iii) may violate any rights of any person, firm or corporation.

## 2. PROGRAM PRODUCTION

- a) As between Sponsor and EPI, EPI owns, exclusively, all right, title and interest in and to the Event including, but not limited to the copyright in and to the Program(s) of the Event(s) and the name of the Event(s). EPI and its parent, subsidiary and affiliated companies, and the licensees of each have the exclusive, perpetual right to distribute, transmit, exhibit, license, advertise, duplicate, promote, perform, telecast and otherwise exploit (collectively, “**Distribute**” or “**Distribution**”) audio, video, audiovisual and other programs based on or including the Event(s) or any portion thereof (each a “**Program**” and collectively, the “**Programs**”) and its/their constituent elements and any other material pertaining to the Event(s) in EPI’s possession and control throughout the universe, by all means and media now known or hereafter developed, on a live and/or delayed basis, in perpetuity, without limitation as to the number of uses. EPI also has the right to make reproductions of the Programs and its/their constituent elements and to use, exhibit and deal with those reproductions in any manner or media whatsoever, including but not limited to the right to incorporate the Program(s) and/or its/their constituent elements into other works for commercial profit. EPI has complete control over the scheduling, production and format of the Program(s) of each Event. Without limiting the generality of the foregoing, EPI has the right to determine the length of the Programs; subject to the rights granted to Sponsor pursuant to this Agreement, to insert commercial and promotional announcements therein as it may determine by such sponsor or sponsors as it may elect; to title or retitle each Program and to change or designate the name of any Event to the extent it is used in connection with a Program.
- b) EPI has complete authority over the selection of announcers, commentators, technical and other personnel for the Program of each Event. Sponsor has no rights of approval over such personnel.

## 3. REPRESENTATIONS AND WARRANTIES

Each of Sponsor and EPI warrant and represent to the other that (i) it is free to enter into this Agreement and fully perform its obligations hereunder; (ii) the rights that such party has granted to the other party under this Agreement, and such other party’s use of such rights in accordance with the terms of this Agreement, will not infringe upon or violate the rights of any third party; and (iii) it shall comply with all applicable law.

## 4. INDEPENDENT CONTRACTORS

Sponsor and EPI are independent contractors with respect to each other and nothing herein creates any association, partnership, joint venture or agency relationship between them. Each party shall be fully responsible for all persons, including subcontractors, retained by either party in connection with its performance hereunder, except as otherwise specifically and explicitly provided herein.

## 5. CATEGORY NON-EXCLUSIVITY



Sponsor has the non-exclusive right to advertise its products and services, pursuant to the terms of this Agreement and subject to Section 8 below, specifically for the Sponsorship and/or Advertising Benefits and via the marketing and advertising methods listed in Exhibit B.

6. INDEMNIFICATION

- a) Sponsor shall indemnify, defend, and hold harmless, EPI, its parent, subsidiary and affiliated companies, and each of its and their respective officers, directors, employees, agents, representatives, successors and assigns, from and against any and all third party claims, demands, actions, damages, losses, liabilities and expenses of any nature (including reasonable attorneys' fees and disbursements), that are incurred by any of them (collectively, "**Claims**") to the extent caused, or alleged to be caused, by: (i) the acts or omissions of Sponsor, its employees, agents, guests, invitees or subcontractors; (ii) any products liability claim related to any products or services of Sponsor; (iii) Sponsor's unauthorized use of EPI's or ESPN's Marks (defined below) or any third party intellectual property; (iv) the infringement or alleged infringement of any patent, trademark, copyright, title, slogan and/or other intellectual property rights by Sponsor or facilitated by Sponsor, including but not limited to, any Claims arising out of or relating to Sponsor's Marks provided by Sponsor to EPI and EPI's use thereof pursuant to this Agreement; (v) Sponsor's breach or alleged breach of this Agreement and/or the failure of any warranties or representations given or made by Sponsor herein; (vi) Sponsor's failure to follow any applicable law; and (vii) for any damages and/or injuries of any kind sustained by Sponsor, its employees, agents, guests, invitees or subcontractors while they are on the premises where any Events, activities and/or promotions described in this Agreement, will take place, except to the extent that such claims and/or liability described in this subsection (vii) arise out of EPI's negligence or willful misconduct. Notwithstanding anything contained herein to the contrary, this indemnification provision shall not be construed as a waiver of any immunity to which Sponsor is entitled or the extent of any limitation of liability pursuant to § 768.28, Florida Statutes. Any claims against Sponsor must comply with the procedures found in §768.28, Florida Statutes. Furthermore, this provision is not intended to nor shall be interpreted as limiting or in any way affecting any defense Sponsor may have under § 768.28, Florida Statutes or as consent to be sued by third parties.
- b) EPI shall indemnify, defend and hold harmless, Sponsor, its parent, subsidiary and affiliated companies, and each of its and their respective officers, directors, employees, agents, representatives, successors and assigns, from and against any and all third party Claims to the extent such Claims are caused by: (i) EPI's negligence or willful misconduct; (ii) EPI's infringement or alleged infringement of any patent, trademark, copyright, title, slogan and/or other intellectual property rights (excluding any Claims in connection with Sponsor's Marks and/or any materials or intellectual property rights or executions provided by Sponsor and EPI's use thereof pursuant to this Agreement, all of which shall be covered by (a) above); (iii) EPI's unauthorized use of Sponsor's Marks; (iv) EPI's breach or alleged breach of this Agreement, and/or the failure of any warranties or representations given or made by EPI herein; and (v) EPI's failure to follow any applicable law.

- c) With respect to any Claim that may form the basis of an indemnity obligation hereunder, the indemnified party shall give prompt written notice of such claim to the indemnifying party as well as the opportunity to defend, compromise or settle such claim with counsel selected by such indemnifying party (provided that, the indemnified party's failure to provide prompt notice of a claim shall not relieve the indemnifying party of its indemnification obligations hereunder, except to the extent it has been damaged thereby) and shall reasonably cooperate in the course thereof; provided, however, that the indemnifying party shall not enter into any compromise or settlement that has the effect of creating any liability or obligation (whether legal or equitable) on the part of the indemnified party without the indemnified party's prior written consent (not to be unreasonably withheld or delayed). The indemnified party has the right to participate in its defense with counsel of its own choosing at the indemnified party's sole cost and expense.
- d) **EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE, WHETHER IN CONTRACT, TORT OR ANY OTHER THEORY, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, ARISING FROM THE SUBJECT MATTER OF THIS AGREEMENT. THIS LIMITATION OF LIABILITY APPLIES EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE, ANTICIPATED PROFITS OR LOST BUSINESS.**
- e) The obligations of this Section 6 shall survive the expiration or earlier termination of this Agreement.

7. INSURANCE.

- a) Sponsor shall, at its sole expense, throughout the performance of its services pursuant to the Agreement and for such additional time as may be specified below, maintain:
  - i) Commercial General Liability Insurance to include contractual liability, products/completed operations liability, advertising injury liability and cross-liability (which must be maintained for three years following the provision of all of Sponsor's services as set forth herein) with minimum limits of Two Million Dollars (\$2,000,000) written on an occurrence form basis;
  - ii) Automobile Liability coverage with minimum combined single limits of Two Million Dollars (\$2,000,000). Coverage shall include all owned, leased, non-owned and hired automobiles, protecting it, additional insured's and EPI from claims for personal injury (including bodily injury and death) and property damage which may arise from or in connection with the performance of Sponsor's services hereunder or from or out of any act or omission of Sponsor, its officers, directors, agents, subcontractors or employees;
  - iii) Workers' Compensation Insurance as required by applicable law, and Employer's Liability Insurance with minimum limits of One Million Dollars (\$1,000,000);

and

- iv) Producer's Liability Insurance (Errors & Omissions Insurance) for such length of time as is necessary to cover any and all claims arising out of or relating to the production and any distributions of any produced audio-visual materials, having limits of at least Five Million Dollars (\$5,000,000) for each claim, with an annual aggregate limit of at least Five Million Dollars (\$5,000,000) with a deductible of no more than Twenty Five Thousand Dollars (\$25,000). Such insurance shall have standard coverage, including, but not limited to, coverage with respect to libel/slander or other forms of defamation, infringements of common law or statutory copyright, infringements of rights in material to be broadcast or in the manner of presentation thereof, infringement of privacy rights, breach of implied contract and unauthorized use of material in such audio-visual materials. Any restrictions of coverage on the title, music or other rights shall be stated on the certificate of insurance and cleared prior to delivery. Additionally, any deductibles shall be stated on the certificate of insurance.
- v) All insurance required in this Section 7(a) shall be with companies and on forms acceptable to ESPN and shall contain a provision or endorsement that the policy may not be canceled, terminated, changed or modified unless thirty (30) days prior written notice thereof is furnished to EPI.
- vi) All insurance required in this Section 7(a) shall be primary and not contributory with regard to any other available insurance to EPI, its parent and any subsidiaries, related and affiliated companies of each, and the officers, directors, shareholders, employees, agents and assigns of each.
- vii) All insurance required in this Section 7(a) shall be written by companies with a BEST Guide rating of B+ VII or better.
- viii) Certificates of insurance (or copies of policies, if required by EPI) shall be furnished to EPI. All insurance required in this Section 7(a) shall include EPI, its parent, and any subsidiaries, related and affiliated companies of each, and the officers, directors, shareholders, employees, agents and assigns of each as additional insureds and contain a waiver of subrogation in their favor. (The additional insured requirement applies to all coverages except Workers' Compensation, and Employers Liability. The waiver of subrogation applies to all coverages).
- ix) EPI's failure to request, review or object to the terms of such certificates or insurance shall not be deemed a waiver of Sponsor's obligations or the rights of EPI.
- x) The minimum limits of the insurance required in this Section shall in no way limit or diminish Sponsor's liability under other provisions of this Agreement.
- xi) Sponsor agrees to indemnify and hold harmless EPI (including for reasonable attorneys' fees) against any liability for premiums, contributions or taxes payable under any worker's compensation, unemployment compensation, disability benefit, social security benefit or tax withholding laws for which EPI may be finally adjudged liable as employer with respect to Sponsor or any Sponsor personnel.

- b) EPI shall, at its sole expense, throughout the performance of its services pursuant to the Agreement and for such additional time as may be specified below, maintain:
- i) Commercial General Liability Insurance to include contractual liability, products/completed operations liability, advertising injury liability and cross-liability (which must be maintained for three years following the provision of all of Sponsor's services as set forth herein) with minimum limits of Two Million Dollars (\$2,000,000) written on an occurrence form basis;
  - ii) Automobile Liability coverage with minimum combined single limits of Two Million Dollars (\$2,000,000). Coverage shall include all owned, leased, non-owned and hired automobiles, protecting it, additional insured's and Sponsor from claims for personal injury (including bodily injury and death) and property damage which may arise from or in connection with the performance of EPI's services hereunder or from or out of any act or omission of EPI, its officers, directors, agents, subcontractors or employees;
  - iii) Workers' Compensation Insurance as required by applicable law, and Employer's Liability Insurance with minimum limits of One Million Dollars (\$1,000,000); and
  - iv) Producer's Liability Insurance (Errors & Omissions Insurance) for such length of time as is necessary to cover any and all claims arising out of or relating to the production and any distributions of any produced audio-visual materials, having limits of at least Five Million Dollars (\$5,000,000) for each claim, with an annual aggregate limit of at least Five Million Dollars (\$5,000,000) with a deductible of no more than Twenty Five Thousand Dollars (\$25,000). Such insurance shall have standard coverage, including, but not limited to, coverage with respect to libel/slander or other forms of defamation, infringements of common law or statutory copyright, infringements of rights in material to be broadcast or in the manner of presentation thereof, infringement of privacy rights, breach of implied contract and unauthorized use of material in such audio-visual materials. Any restrictions of coverage on the title, music or other rights shall be stated on the certificate of insurance and cleared prior to delivery. Additionally, any deductibles shall be stated on the certificate of insurance.
  - v) All insurance required in this Section 7(b) shall be with companies and on forms acceptable to Sponsor and shall contain a provision or endorsement that the policy may not be canceled, terminated, changed or modified unless thirty (30) days prior written notice thereof is furnished to Sponsor.
  - vi) All insurance required in this Section 7(b) shall be primary and not contributory with regard to any other available insurance to Sponsor, its parent and any subsidiaries, related and affiliated companies of each, and the officers, directors, shareholders, employees, agents and assigns of each.
  - vii) All insurance required in this Section 7(b) shall be written by companies with a BEST Guide rating of B+ VII or better.
  - viii) Certificates of insurance shall be furnished to Sponsor. All insurance required in this Section 7(b)(i) and (ii) shall include Sponsor, its parent, and any subsidiaries, related and affiliated companies of each, and the officers, directors, shareholders,



employees, agents and assigns of each as additional insureds and contain a waiver of subrogation in their favor. (The additional insured requirement applies to all coverages except Workers' Compensation, and Employers Liability. The waiver of subrogation applies to all coverages).

- ix) Sponsor's failure to request, review or object to the terms of such certificates or insurance shall not be deemed a waiver of EPI's obligations or the rights of Sponsor.
- x) The minimum limits of the insurance required in this Section shall in no way limit or diminish EPI's liability under other provisions of this Agreement.
- xi) EPI agrees to indemnify and hold harmless Sponsor (including for reasonable attorneys' fees) against any liability for premiums, contributions or taxes payable under any worker's compensation, unemployment compensation, disability benefit, social security benefit or tax withholding laws for which Sponsor may be finally adjudged liable as employer with respect to EPI or any EPI personnel.

## 8. MARKS AND RESTRICTED USES

- a) Use of Marks. Except as expressly provided for in this Agreement, neither party shall use any trademarks, service marks, trade names, insignia, symbols, logos, decorative designs or the like (individually a "**Mark**" and collectively the "**Marks**") which is/are owned by, or licensed or sublicensed to, the other party without the other party's prior written consent in each instance. Sponsor hereby grants to EPI a limited, nonexclusive, perpetual, worldwide, royalty-free license to use Sponsor's Marks, as provided by Sponsor to EPI (as approved in accordance herewith), specifically in furtherance of this Agreement and in EPI's staging, and promotion of the Event(s) and in EPI's Distribution and promotion of the Program(s) (including, but not limited to, in the creation and distribution of Event-related logos, merchandise and in-site signage). Notwithstanding the foregoing, EPI's right to Distribute Sponsor's Marks as incorporated into the Programs (and portions thereof, including without limitation in connection with promotion of the Programs, EPI's programming networks, products and services) is perpetual and shall survive the expiration or earlier termination of this Agreement, whereas EPI's license to use Sponsor Marks for other uses permitted herein is limited to the Term (e.g., EPI shall not create merchandise bearing Sponsor's Marks upon expiration of the Term but, for clarity, may continue to distribute existing merchandise created prior to expiration of the Term). EPI hereby grants to Sponsor a limited, nonexclusive, nontransferable, royalty-free license to use only EPI's designated Event-specific Marks (the "**Designated Marks**") during the Term in accordance with this Agreement and only as specifically set forth in Exhibit B. Notwithstanding the foregoing, all of Sponsor's proposed executions of the Sponsorship and/or Advertising Benefits containing the Designated Marks shall be subject to EPI's prior written approval, granted or withheld in EPI's sole discretion. Sponsor shall provide EPI the proposed material in connection with any and all such executions appropriately in advance to enable EPI's review and approval.

Each party agrees that, as between the parties, each party owns all rights, title and interest in and to their respective Marks, and all related intellectual property rights. Each party's

use of the other party's Marks under this Agreement is for the benefit of such party and shall terminate on the termination of this Agreement (except as otherwise specifically provided for herein, including but not limited to EPI's perpetual right to distribute Sponsor's Marks as incorporated during the Term into the Event-related marketing, merchandise, promotion and Programs), and neither party shall acquire any rights in the other party's Marks by such use. Each party shall comply with written usage guidelines and quality control standards that may be provided by the other party during the Term. Notwithstanding the foregoing, prior to each new use of any Designated Marks, Sponsor shall submit a sample of such proposed use to EPI. Once EPI has approved a particular use of the Designated Mark, the approval will remain in effect for such use until withdrawn with reasonable prior written notice.

- b) Quality Standards. The parties agree that the nature and quality of all services rendered by the other party in connection with the use of the other party's Marks, all goods sold by the other party under the other party's Marks, if any, and all related advertising, promotional and other related uses of the other party's Marks by the other party shall conform to standards set by and be under the control of the parties.
- c) Quality Maintenance. To the extent expressly permitted in this Agreement, as to the use of the other party's Marks as provided herein, the parties agree to cooperate with each other in facilitating the other party's quality control review of the use of the other party's Marks, to permit reasonable inspection of the other party's proposed execution, and to supply the other party with specimens of all proposed and actual uses of the other party's Marks upon request. The parties shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of goods and services covered by this Agreement and the license granted herein.
- d) Form of Use. The parties agree to use the other party's Marks only in the form and manner and with appropriate legends as may be prescribed from time to time by the other party, and not to use any other trademark or service mark in combination with any of the other party's Marks without the other party's prior written approval.
- e) Infringement Proceedings. The parties agree to notify the other party of any unauthorized use of the other party's Marks in connection with this Agreement by others promptly as it comes to either party's attention. The parties shall have the sole right and discretion to bring infringement or unfair competition proceedings involving such party's Marks.
- f) Restricted Uses.
  - i) Neither party shall use the other party's Marks in connection with any person or entity that (a) advertises, markets, promotes, sells or offers for sale pornographic materials, illegal or unethical multi-level marketing or pyramid schemes, gambling, firearms, tobacco or hard alcohol; or (b) is a direct competitor of ESPN or EPI, including but not limited to Fox Sports, Sports Illustrated, CBS Sports, NBC Sports, Bleacher Report, Yahoo! and AOL Sports.



- ii) Sponsor (and its third party service providers) shall abide by the Guidelines for Use of ESPN Marks attached hereto as **Exhibit E**.
  - iii) Neither party (nor their third party service providers) may use the other party's Marks in any manner that implies sponsorship or endorsement by such party of services and products other than those provided by that party.
  - iv) For the sake of clarity and not limitation, this Agreement does not grant Sponsor: (i) the right to utilize the marks of any team, institution or conference participating in the Events without the prior approval of all applicable rights holders; or (ii) except as explicitly set forth in Exhibit B, the right to utilize EPI/ESPN Marks on products or merchandise.
- g) **PI & ILS Program**. Sponsor's use of EPI/ESPN's Marks on Licensed Products and PA Materials (as each is defined in Exhibit G) created by Sponsor or its agents must comply with The Walt Disney Company Product Integrity Program ("PI Program") and the Walt Disney Company International Labor Standards Program ("ILS Program"), each of which is outlined in the reference packet attached hereto as Exhibit G.

#### 9. **FORCE MAJEURE AND CANCELLATION/POSTPONEMENT**

- a) In the event that either EPI or Sponsor is unable to perform or is precluded from performing, in whole or in part, any of its obligations under this Agreement due to any unforeseen circumstances beyond the reasonable control of the party precluded from performing, including, but not limited to an act of God, war, terrorist attack, inevitable accident, strike or other labor dispute, fire, riot or civil commotion, government (whether federal, state or local) action or decree, weather, failure in whole or in part of technical, production or television equipment or for any other reason beyond the control of Sponsor or EPI (an event of "**Force Majeure**"), then such inability to perform shall not be deemed to be a default hereunder. If the Event should be postponed or delayed due to an event of Force Majeure, then EPI shall have the right to elect to stage, produce and distribute the Event on its rescheduled date and/or time and to provide Sponsor with the applicable Sponsorship and Advertising Benefits hereunder in accordance with all the terms hereof in connection with the rescheduled Event, in which case all EPI's rights herein shall survive.
- b) EPI reserves the right to cancel or postpone the Event(s), in its sole discretion, but shall advise Sponsor of any such cancellation or postponement as soon as commercially reasonable. In the event that EPI cancels an Event, Sponsor shall have no further obligation hereunder and there shall be an equitable reduction/refund of the Sponsorship Fee amount, as reasonably determined by EPI based upon any benefits received by Sponsor prior to such cancellation or postponement, and EPI shall reimburse Sponsor such amount or, upon mutual agreement, apply the amount of such reduction to sponsorship and/or advertising benefits in connection with other mutually agreeable EPI properties or events.

#### 10. **TERMINATION**

- a) Either party may terminate this Agreement upon thirty (30) days' prior written notice for a

material breach that is not cured to the reasonable satisfaction of the non-breaching party within such thirty (30) day period.

- b) Either party may immediately terminate this Agreement upon written notice if the other party is subject to proceedings in bankruptcy or insolvency, voluntarily or involuntarily, if a receiver is appointed with or without the other party's consent, if the other party assigns its property to its creditors or performs any other act of bankruptcy or if the other party becomes insolvent and cannot pay its debts or provide rights and benefits when they are due.
- c) Either party may terminate this Agreement upon ten (10) days' prior written notice if at any time during the Term the other party engages in action or a failure to act that reflects moral turpitude or alleged fraud or that is substantially likely to embarrass or to have a materially adverse effect on the public perception of such party, in such party's commercially reasonable judgment.
- d) EPI may immediately terminate this Agreement upon written notice if Sponsor or its agent(s) are not in compliance with either the PI Program or the ILS Program.
- e) If either party terminates this Agreement pursuant to this Section 10, the parties shall not be obligated to perform further pursuant to this Agreement and the rights and opportunities granted hereunder shall terminate from the date on which the termination takes effect. Termination hereunder shall be without prejudice to any existing rights, remedies and/or claims that the terminating party may have against the other party, and shall not relieve (i) such other party from fulfilling its obligations accrued prior to such termination.

## 11. MISCELLANEOUS

- a) All notices and other communications from either party to the other hereunder shall, unless otherwise specifically provided herein, be given in writing by personal delivery or by a reputable overnight courier service (UPS, FedEx, etc.) at the respective addresses of Sponsor and EPI set forth above, unless either party at any time designates another address for itself by notifying the other party thereof by reputable overnight courier service, in which case all notices to such party shall thereafter be given at its most recently so designated address. Notice given by personal delivery is deemed given upon receipt. Notice given by reputable overnight courier is deemed given on the date of shipping thereof with postage and fees prepaid. Further, copies of all notices by Sponsor to EPI shall be sent to ESPN, Inc., Attn: Legal Department, ESPN Plaza, Bristol, Connecticut 06010-7454.
- b) Each party shall execute any and all further documents or amendments which either party hereto may deem necessary and proper to carry out the purposes of this Agreement.
- c) This Agreement together with all of the exhibits attached hereto contains the full and complete understanding among the parties hereto, supersedes all prior agreements and understandings whether written or oral pertaining hereto, and cannot be modified except by a written instrument signed by each party hereto. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against any of the parties.
- d) The descriptive headings of the several sections and paragraphs of this Agreement are

inserted for convenience only and do not constitute a part of this Agreement.

- e) This Agreement is governed by and construed under and in accordance with the laws of the State of New York without reference to New York choice of law rules. The state and federal courts located in New York County (i.e. Manhattan) have sole jurisdiction and venue to resolve disputes hereunder, and the parties irrevocably submit to such jurisdiction and venue. Provided, however, in the event of any dispute relating to this Agreement the parties shall meet and confer in good faith in an effort to resolve the dispute via informal negotiations before resorting to any other form of dispute resolution.
- f) This Agreement may not be assigned in whole or in part without the prior written consent of the other party and any attempted assignment in violation of this paragraph is void *ab initio*. Notwithstanding the foregoing, EPI may freely assign this Agreement without Sponsor's permission to a parent, subsidiary, or affiliate company. Further, EPI's exercise of its rights granted by this Agreement by means of license or sublicense will not be deemed to be a prohibited assignment. This Agreement is binding upon and inures to the benefit of the parties hereto and their successors and permitted assignees.
- g) Any provisions hereof found by a court to be void or unenforceable shall not affect the validity or enforceability of any other provisions.
- h) Upon request, EPI shall use commercially reasonable efforts to provide to Sponsor on an annual basis a report which details the elements provided hereunder to Sponsor for each Event listed in **Exhibit B**.
- i) This Agreement may be executed in one or more counterparts, each of which is an original, but together constitutes one and the same document. Execution of a facsimile copy or scan/.pdf via email shall have the same force and effect as execution of an original, and a facsimile signature shall be deemed an original and valid signature.

[End of Exhibit A]

**EXHIBIT B**  
**SPONSORSHIP AND/OR ADVERTISING BENEFITS**

Sponsor is entitled to, and EPI shall provide, the following sponsorship and/or advertising benefits related to the Events (the “**Sponsorship and/or Advertising Benefits**”):

- One (1) :30 commercial unit per Event on EPI digital platform(s) (to be determined by EPI in its sole discretion), in accordance with the terms and conditions of the Agreement

[End of Exhibit B]

**EXHIBIT C**  
**ADDITIONAL SPONSORSHIP TERMS**

The parties shall have the additional sponsorship rights and obligations related to the Events (collectively, the “**Additional Sponsorship Terms**”), as set forth below and in accordance with the terms and conditions of this Agreement:

- I. **OBLIGATIONS OF ESPN:** Each year during the Term, EPI shall:
- A. Secure and contract all teams participating in the Event
  - B. Produce and Distribute Program(s) of the Event (all aspects of the Program(s) and Distribution(s) to be determined in EPI’s sole discretion)
  - C. Secure and pay the Event officials
  - D. Secure and pay the Event director
  - E. Provide official game balls for Event
  - F. Sell regional and national sponsorships, to include on-site “TV-visible” (i.e., visible on camera) assets
  - G. Create a marketing plan to secure teams, promote the City of Clearwater, and sell tickets to teams
  - H. Develop and implement a community outreach component
  - I. Develop Event logo
  - J. Develop and manage Event website
- II. **OBLIGATIONS OF CITY:** Each year during the Term, Sponsor shall:
- A. Provide the facility at the Site (Eddie C. Moore Complex) at no charge to EPI
  - B. Sell local (non-“TV-visible”) sponsorships
  - C. Manage and maintain the facilities at the Site in accordance with NCAA field-of-play requirements for the Event, including the following:
    - i. Set up the Site prior to arrival of EPI production crew, including but not limited to the following:
      - 1. Supply of media provisions, as mutually agreed upon and including but not limited to:
        - (a) Generator to support production
        - (b) Full media room and dedicated press conference areas with internet connections
        - (c) Platform lifts in outfield
      - 2. Provide electrical support, as mutually agreed upon
      - 3. Provide location for on-air announcers

4. Construct fields within the NCAA specifications, to include the following:
  - (a) Tarps
  - (b) Dugouts
  - (c) Practice/warm-up space
  - (d) Bullpens
5. Recruit game day staff and volunteers for facility and game operations (see list of tasks under items II(E) and II(F) below)
6. Provide agreed upon facility improvements by September 1 of each year during the Term

D. Manage operations and staffing for the Event, including the following:

- i. Concessions: Sponsor to manage and staff all concessions at the Site
- ii. Parking: Sponsor to manage and staff parking around the Site
- iii. Merchandise
- iv. Ticketing Operations to include the following:
  1. Ticketing system
  2. Ticket box off staff
  3. Ticket takers
  4. Scanners
  5. Ticket and credential supplies and storage
- v. Restrooms and Sanitation
- vi. Community Events: Mutually agreed upon events that may promote the St. Pete/City of Clearwater Elite Softball Invitational and the City of Clearwater within the community.

E. Provide Event operations staffing and supplies, including the following:

- i. Golf Carts
- ii. Event Staff: All staff necessary for the execution of the Event, including but not limited to:
  1. Field monitors
  2. Box office staff
  3. Runners
  4. Statistics crew
  5. Video board operator, if applicable
  6. Sound board operator
  7. Score board operator
  8. PA announcer



9. Team liaisons
10. Parking attendants
11. Gate attendants
12. Onsite security
13. Custodial support
14. Concessionaires
15. Police
16. One (1) medical trainer
- iii. Staff and volunteer uniforms
- iv. Trailers and offices at the facility for EPI (production crew and events personnel) and Event officials. Trailers to include internet and electricity.
- v. Supplies for team, umpires, volunteers, and staff including, but not limited to the following:
  1. Ice
  2. Water
  3. Cups
- F. Provide fan experience opportunities
  - i. Option to provide sand sculpture at Site entrance
  - ii. Produce souvenir game program to include production and sales
    1. All game program content will need to be approved by EPI
  - iii. Provide a designated VIP area at the Site for up to 100 people to include food and beverages
  - iv. Option to secure video board on field, if mutually agreed upon

### **III. REVENUE**

#### **A. SPONSORSHIP SALES**

- i. EPI will retain all revenue derived from “TV-visible” sponsorships and “TV”-related sales
- ii. Sponsor will retain all revenue derived from local sponsorship sales
  1. If Sponsor procures a sponsor interested in “TV-visible” assets and/or “TV” (in-Program) elements, EPI and Sponsor shall share such sponsor revenue as follows: 25% to Sponsor and 75% to EPI.
- iii. Breakdown of in-venue asset allocation shall be as follows:
  1. EPI “TV-Visible” Assets:
    - (a) Dugout roofs

- (b) Wall pads behind home plate
  - (c) Foul pole
  - (d) Batting circle
- 2. Sponsor Local Assets
  - (a) Bleacher signage
  - (b) Light poles inside the Site
  - (c) Vendor village
  - (d) Batting cages
  - (e) Tarp covers
  - (f) Press Box
  - (g) PA Announcements
  - (h) All other non-“TV-visible” assets

#### B. MERCHANDISE

- i. Sponsor and EPI agree to share merchandise revenue as follows: 50% to EPI and 50% to Sponsor. All Event-related merchandise designs and artwork must be approved in advance by EPI and its official licensor (currently IMG College). All merchandise to comply with the terms and conditions of the Agreement, including but not limited to Exhibit G.

#### C. PARKING

- i. Sponsor to manage and retain all revenue from parking
- ii. Sponsor to provide EPI the following:
  - 1. Complimentary parking for EPI production crew
  - 2. Up to one hundred (100) complimentary parking passes for EPI events personnel, upon request

#### D. CONCESSIONS

- i. Sponsor to manage and retain all revenue from concession sales.

#### E. SOUVENIR PROGRAM

- i. Sponsor to retain all revenue from ad sales or game program sales.

#### F. TICKETS

- i. Sponsor to manage ticketing system

- ii. Sponsor to provide up to one hundred (100) complimentary game tickets to EPI.
- iii. Sponsor and EPI agree to share revenue from ticket sales as follows: 50% to EPI and 50% to Sponsor.
- iv. If ticket sales exceed bleacher seating by 20% prior to January 1 of each year during the Term, EPI and Sponsor shall mutually determine if any portion of ticket revenue should be directed toward additional bleacher build out.

<b>Summary of Revenue Sharing</b>	<b>Sponsor</b>	<b>EPI</b>
Tickets	50%	50%
Sponsorship	100% of Local Non-“TV-visible” sponsorships	100% of “TV-visible” on-site assets and “TV” elements from regional and national sponsors
<i>If Sponsor sells national/“TV-visible” sponsorship</i>	25% of “TV-visible”/“TV” revenue	75% of “TV-visible”/“TV” revenue
Merchandise	50% of merchandise sales	50% of merchandise sales
Program	100% of program sales	
Parking	100% of parking	
Concessions	100% of concessions	

#### G. SETTLEMENT

- i. Within forty-five (45) days of each Event during the Term, both parties shall finalize settlement and make payments accordingly.

#### H. MISCELLANEOUS

- i. All expenses or issues not addressed herein will be discussed and mutually agreed upon by the parties.

[End of Exhibit C]

**EXHIBIT D**  
**ESPN ADVERTISING REGULATIONS**

A. Advertising Sales Regulations

In using the Commercial Units specified in this Agreement, Sponsor must:

1. Consult regularly with the designee in EPI/ESPN's Advertising Sales Department on Sponsor's plans and actions related to those Commercial Units;
2. Intentionally Omitted;
3. Promptly advise ESPN of Sponsor's product or service and whatever other relevant information that ESPN requests. Sponsor also must furnish ESPN, no later than five business days before the date of the distribution in question, with the fully-cleared videotapes and other requisite materials for airing Sponsor's Commercial Units according to the guidelines contained in the attached ESPN Media Delivery Guidelines;
4. Comply with the Advertising Content Regulations specified in Section B, below;
5. Subject all Commercial Units to ESPN's prior approval; and
6. Intentionally Omitted.

B. ADVERTISING CONTENT REGULATIONS

ESPN will telecast only commercial material which is lawful and of the highest possible standards of excellence and in this regard Sponsor will ensure that the following conditions are observed with respect to all local commercial announcements. There shall be:

1. no commercial or material which is not of a suitable artistic and technical quality;
2. no commercial or material that may violate any rights of any person, firm or corporation;
3. no false, unsubstantiated or unwarranted claims for any product or service, or testimonials that cannot be authenticated;
4. no advertising of any habit-forming drugs, tobacco products, handguns, or handgun ammunition;
5. no commercial or material which advertises any distilled liquor, except as set forth below. Socially responsible distilled liquor advertising may be included in ESPN-approved programs (on ESPN-specified networks) only, provided that such advertising contains prominent and integral social responsibility messaging (e.g., the prevention of drinking and driving, moderation in consumption, and references for assistance with drinking-related issues). Message must be an integral part of the creative presentation and not simply a closing "drink responsibly" visual or other fleeting reference. Malt beverage advertising is acceptable, subject to appropriate scheduling restrictions and only if the

commercial clearly and conspicuously communicates in audio and/or video that the product is an alcoholic malt beverage;

6. no material constituting or relating to a lottery, a contest of any kind in which the public is unfairly treated or any enterprise, service, or product which would tend to encourage, aid, abet, assist, facilitate or promote illegal or legal gambling; however, advertising for casinos or other places of gambling (including ads for travel services or tourist destinations that directly or indirectly promote gambling) may be placed under the following additional guidelines:
  - The advertisement does not in any way promote sports wagering or race book services, including references to odds, horse racing “tout” boards, betting slips, etc.
  - The advertisements may promote the non-gambling or gambling amenities of the casino, and may now include visual or audio references to gambling or gambling paraphernalia (e.g., dice, roulette wheels, “slot machine” type graphics).
  - The word “casino” may be used if it is part of the official name of the advertised establishment.
  - Advertising for casinos will be subject to any restrictions or prohibition from programming rights-holders during certain programming.

#### Restrictions

- Casino advertising of any type may not air in any NFL, NBA or NCAA Championship programming, or any programming ESPN reasonably believes to have significant audience concentrations or appeals to persons under age 17 (X-Games, Little League, Spelling Bee, High School Sports) including any support or ancillary programming.
- NCAA (non-Championship) and MLB programming may contain “non-gaming” casino advertisements. Advertisements for casinos or other places of gambling may air during NCAA non-Championship and MLB programming only as long as the advertisement does not in any way promote legal or illegal gambling; and the advertisement does not contain any visual or audio references to gambling or gambling paraphernalia (e.g., dice, roulette wheels, “slot machine” type graphics, odds, horse racing “tout” boards, betting slips). Advertisements may, instead, promote the non-gambling amenities of the casino (e.g., floor shows, dining, shopping, etc.)

*Note: The list of programming in which such material is permitted is subject to change from time to time.*

7. no announcement for a product or service which is illegal per se or has no legal use in the state, county or municipality in which Sponsor is distributing the announcement;
8. no appeal for funds;
9. no commercial or material which is in whole or part defamatory, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment, or that describes or depicts repellantly any internal bodily functions or symptomatic results of internal conditions, or refers to matters that are not considered socially acceptable topics;
10. no false or ambiguous statements or representations that may be misleading to the audience;
11. no commercial that includes any element of intellectual property without the owner’s consent to such use, including but not limited to music master, mechanical, performance and synchronization rights

or gives rise to any other colorable claim of infringement, misappropriation or other form of unfair competition;

12. no disparagement or libel of competitors or competitive products; or

13. no commercial that is or may be injurious or prejudicial to the interests of the public, EPI or honest advertising and reputable business in general.

In addition, during any program of a championship athletic event conducted by the National Collegiate Athletic Association (the "NCAA"), there shall be:

1. no advertisement utilizing professional athletes or other persons connected with professional athletics or promoting any professional athletic event or team; and

2. no advertising of alcoholic beverages, drugs or patent medicines other than analgesics, cold remedies, antacids, and athletics training aids that are in general use and institutional advertising by pharmaceutical firms.

[End of Exhibit D]



## **EXHIBIT E**

### **GUIDELINES FOR USE OF ESPN MARKS**

1. Sponsor shall use the ESPN Marks solely as provided in the Agreement and in no other manner.
2. Sponsor shall always use the ESPN Marks as a proper adjective modifying the common descriptive terms associated with the ESPN Marks as provided in the Agreement.
3. Sponsor's house mark or house logo must appear on any materials where the ESPN Marks are used and must be larger and more prominent than the ESPN Marks.
4. In connection with each use of the ESPN Marks, Sponsor shall place an asterisk by the ESPN Marks and cause the following expression to appear as a legend:

"Registered Trademark or trademark of ESPN in the United States and/or other countries and used under license from ESPN."
5. Sponsor shall not use the ESPN Marks in the possessive or as nouns nor shall it pluralize or abbreviate the ESPN Marks.
6. The ESPN Marks must stand-alone. The minimum required area of empty space around the ESPN Marks is  $1/2x$ , where  $x$  equals the height of the ESPN Marks.
7. Sponsor shall always capitalize all the letters of "ESPN" or use the ESPN Marks in the exact stylized form provided to Sponsor by ESPN electronically or in hard copy form. The ESPN Marks may not be altered in any manner not set forth herein without the prior written approval of ESPN.
8. Sponsor shall not use the ESPN Marks in any manner that expresses or might imply Sponsor's affiliation, sponsorship, endorsement, certification or approval other than as contemplated by this Agreement.
9. Sponsor shall not combine the ESPN Marks with any other symbols, words, logos, icons, graphics, photos, slogans, numbers or other design elements of either Sponsor or any third party.
10. Other than as provided herein, Sponsor shall not use the ESPN Marks in a trade name, business name, domain name, product or service name, logo, trade dress, design, slogan or other trademark.
11. Sponsor shall conform its use of the ESPN Marks to other rules that ESPN provides in writing to Sponsor from time to time.

[End of Exhibit E]

**EXHIBIT F**  
**ESPN'S MEDIA DELIVERY GUIDELINES**  
**(attached)**

[End of Exhibit F]



# **MEDIA DELIVERY GUIDELINES**

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## **CONTACTS**

ESPN strives to provide the highest level of service and quality to all clients. In order to maintain this quality, all requirements in this document must be met.

**Please note, any special requests must be directed to:**

**Craig Doucette**

Associate Director, MSI Ad Standards

Phone: (860) 766-7188

Due to ESPN's enhanced security in routing packages, all tapes and creative materials must be addressed as below:

**ESPN, Inc.**

**ATTN: CRAIG DOUCETTE**

**545 MIDDLE ST.**

**BRISTOL, CONNECTICUT 06010**

Failure to comply will put an advertiser's buy in jeopardy. All commercial instructions should be emailed to [traffic@espn.com](mailto:traffic@espn.com).

**Please address questions to the following team members:**

**Billboards/Features/Sponsorships**

**Sports Updates/BottomLine**

Joe Staskiewicz, Manager

(860) 766-7340

**Commercial Clearance/Media Inventory**

Craig Doucette, Assoc. Director (860) 766-7188

**Client Supplied**

Chris Tate, Manager

(860) 766-2624

**Commercial Traffic**

Scott Atkinson, Director

(860) 766-2499

We will continue to update and revise all information as needed. Thank you for your continued cooperation.

## POLICIES

### Ad-ID SYSTEM

Agencies are required to utilize the Ad-ID (formerly ISCI code) numbering system for all commercials. To obtain a prefix (assigned exclusively to each advertiser), please contact the AAAA as follows:

American Association of Advertising Agencies  
405 Lexington Avenue, 18<sup>th</sup> Floor  
New York, NY 10174  
Attn: Ad-ID Department  
(212) 682-2500

### COMMERCIAL CLEARANCE

- All commercial material(s) (e.g., advertisements, billboards, feature materials, etc.) must be submitted in advance for approval and are subject to ESPN's Advertising Standards and Guidelines.
- All clearance materials should be sent in advance to [CommercialClearance@espn.com](mailto:CommercialClearance@espn.com) for network approval.
- **A minimum of two weeks lead time is required.** Script, storyboard, and/or Beta SP or DVD viewing material is required for review. On occasion, one or more elements may be required for approval (e.g. script and rough-cut).
- Submission of a commercial shall constitute the agency/client warranty to ESPN that all elements have been cleared for air (and Internet distribution, if via espn.com and/or WatchESPN, Mobile ESPN or other internet or broadband properties) with respect to intellectual property rights: this includes, but not limited to, rights of privacy and master, mechanical, performance and synchronization rights for music.

### COMMERCIAL DELIVERY SPECIFICATIONS FOR TELECAST

- Any content which does not meet these specifications may be refused for air or have the levels altered to meet these specifications at ESPN's discretion.
- ESPN reserves the right to refuse to broadcast or otherwise utilize television recordings that, in its opinion, are technically unsatisfactory.
- ON-Air materials must be in house (Bristol, CT) no later than **five (5) business days prior to the airdate.**
- ESPN does NOT accept multi-reels.
- ESPN accepts Closed Captioned commercial content. All Infomercials MUST be Closed Captioned.
- ESPN does NOT accept commercial content with embedded or encoded triggers.
- ESPN will utilize one commercial spot for a buy across all Standard Definition networks. There is no need to submit the same commercial tape for each of these networks.
- ESPN will NOT guarantee replacement of a commercial if it is assigned the same Ad-ID as the original version. **Unique codes must be created for all separate material submitted for telecast.**

### COMMERCIAL PURGE POLICY

- Commercial material will be held for **sixty** days from the last airdate, after which time it will be removed from the system. The same commercial purge policy applies to material that does not air within **sixty** days of receipt.
- ESPN cannot hold indefinitely, duplicate or return commercial material submitted for telecast.
- If commercial material may not air after a specific date, it is the agency or advertiser's responsibility to notify ESPN and request that such material be purged from the system effective as of that date.
- If commercial material should not air and the agency or advertiser has not provided purge notification to ESPN, any charges that ESPN may incur as a result will be passed on to the agency or advertiser.

All Tapes and creative must be addressed as below:

#### **ESPN TV Ad Operations**

**Attn: Craig Doucette**  
**545 Middle Street**  
**Bristol, CT 06010**



# **ESPN MEDIA DELIVERY GUIDELINES**

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**The label on tape cassettes and boxes should reflect the information pertinent to the material contained within. All material must be delivered individually.**

- Advertiser/Product Name; Commercial Title; Commercial (Ad-ID) Number; Duration: Length of Commercial; Date of Recording

## **WatchESPN Commercial Delivery**

- If EDI has not been sent to agency, the following process applies:
  - If creative is already in house in Bristol, the ISCI code information needs to be sent to Kendra Simon and Account Manager.
    - Commercials will be digitized and sent from Bristol to Seattle. Two day lead time required.
  - If creative is NOT already in house in Bristol, TV Ad Operations will request that a digitized version (QuickTime or Windows Media file) be sent directly to Seattle.
    - If material cannot be sent directly to Seattle, it should be sent to Bristol via standard media delivery channels.
    - The ISCI code information needs to be sent to Kendra Simon and Account Manager.
    - Commercials will be digitized and sent from Bristol to Seattle. Two day lead time required.

## **STANDARD DEFINITION**

- Digital Beta or Beta SP tape, or via accepted Digital Ad Delivery vendor required.\*
- 29.97 frame rate.
- ESPN will utilize one commercial tape for a buy across all Standard Definition networks. There is no need to submit the same commercial tape for each of these networks.
- Full Stereo mix on audio channels 1 & 2.

## **HIGH DEFINITION**

- DVC Pro or D5, or via accepted Digital Ad Delivery vendor required.\*
  - Any Closed Captioned material must be sent on D5 or via Digital Ad Delivery.
- 720p; 59.94 frame rate.
- Full Stereo mix on audio channels 1 & 2. ESPN does not broadcast commercial inventory on 5.1 Dolby Surround.
- The HD Ad-ID must have an "H" at the end to signify HD material.
- Only one piece of creative (either SD or HD) will be accepted for air on all HD available networks and will air simultaneously on the HD and SD services. Commercials airing on any SD only network (Classic, etc.) may submit a center-cut protected HD tape or an SD version.
- All HD available networks are currently down-converted in 16x9 letter-box.
  - HD (i.e. in full 16 x 9 format) and will be simulcast in center cut format (i.e. in 4 x 3 format) on the SD networks.

# **ESPN** MEDIA DELIVERY GUIDELINES

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**\* Digital Ad Vendor Contact Info:**

- Extreme Reach: [support@extremereach.com](mailto:support@extremereach.com) or (877) 769-9382
- Javelin/Hula: [support@javelindelivers.com](mailto:support@javelindelivers.com) or 877-851-1786
- AdStream: [Traffic.latam@adstream.com](mailto:Traffic.latam@adstream.com) or (786) 472 2615
- DMDS/Yangaroo: [support@dmds.com](mailto:support@dmds.com) or (866) 992-9902
- Comcast AdDelivery: [addelivery\\_support@cable.comcast.com](mailto:addelivery_support@cable.comcast.com) or 855-858-1942, option 1
- On The Spot Media/EZSpot: [stationservices@onthespotmedia.com](mailto:stationservices@onthespotmedia.com)
- SpotGenie: [support@spotgenie.com](mailto:support@spotgenie.com), or (888) 808-1631

**Additional Video Specification details provided at the end of this document.**

# **ESPN** MEDIA DELIVERY GUIDELINES

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## **COMMERCIAL INSTRUCTIONS**

- Commercial instructions must be sent simultaneously with tapes under separate cover emailed to [traffic@espn.com](mailto:traffic@espn.com).
- **Instructions must be received at ESPN five business days prior to the airdate.**
- ESPN must have written instructions from agency in order to air commercials. Do not enclose instructions with commercials tapes.
- Copy revisions must be followed up with a phone call from the agency contact.
- ESPN will NOT guarantee replacement of a commercial if it is assigned the same Ad-ID as the original version. **Unique codes must be created for all separate material submitted for telecast**
- If commercial instructions for repeat units are not supplied, original traffic instructions may be applied as needed.
- Instructions must include:
  - ESPN network(s)
  - Client
  - Product
  - Title
  - Ad-ID, max. of 18 characters ([www.ad-id.org](http://www.ad-id.org))
  - Length(s)
  - Rotation, Percentage or specific Placement
  - Agency contact with a phone and fax number

## **WatchESPN Traffic Instructions**

- Separate WatchESPN specific traffic instructions need to be provided to TV Ad Operations at [traffic@espn.com](mailto:traffic@espn.com).
  - If Ad Agency is set up for EDI to WatchESPN, then Comm Ops can receive instructions through EDI.
  - If agency is NOT set up for EDI to WatchESPN, then Comm Ops can refer to a report from Business Ops that will list all POBs under Net 500 to know what advertisers need to provide WatchESPN instructions.
- Traffic instructions are needed for initial launch and creative changes during the flight.
- Kendra Simon in Comm Ops will send to Seattle for digital upload in FreeWheel.
- Account Managers will confirm with Kendra Simon that creative has been received and posted.

Changes to commercial copy within a current flight will be accommodated as soon as operations permit. ESPN will not guarantee changes within 48 hours of airdate, but will make every attempt to meet the requested date. Verbal instructions or changes will be accepted no later than 48 hours prior to airdate. Written confirmation must follow immediately. By submitting verbal instructions or changes, clients waive the right to object to the results, including errors. Revised commercials must be assigned a new Ad-ID. ESPN will not guarantee replacement of a commercial if it is assigned the same Ad-ID as the original version.

## **LENGTH POLICY**

All commercial lengths must be negotiated as part of the order. ESPN TV Ad Operations will not accept length change allocations not agreed to when the order was confirmed. If circumstances require a length change after order confirmation, notification must be made through your ESPN Account Executive.

## **COMMERCIAL SEPARATION POLICY**

- ESPN does not grant separation requests for :15 inventory.
- ESPN will bookend :15 second commercials of the same advertiser/product if a :15 second mate is unavailable.
- ESPN does not consider advertiser separation within different programs.
- ESPN endeavors to provide fair & equal separation for all advertisers within each program.

## **IMPROPER TAPE FORMAT**

Tapes arriving at ESPN in an unacceptable tape format will not air until properly formatted tapes are received. This will delay the start of the buy.

## SPONSORSHIP ELEMENTS GUIDELINES

All communication regarding sponsorship elements (billboards/features) including graphic materials, copy scripts, flight dates, and traffic should be directed via e-mail to [espnsponsorship@espn.com](mailto:espnsponsorship@espn.com). **All materials and/or traffic must be submitted with Ad-ID and be received at ESPN at least two weeks prior to the first airdate.**

### **BILLBOARD AUDIO**

Billboard audio copy must be no more than: 05 seconds in length. ESPN uses the terminology "*brought to you by...*" for domestic networks and "*patrocinado por*" for ESPN Deportes as a lead-in to sponsor's copy so the tagline must flow with the lead-in. This lead-in is non-inclusive of the: 05 seconds. Audio copy in excess of: 05 seconds will not air. **Billboard audio must be submitted with Ad-ID and received at ESPN at least two weeks before first airdate.**

### **BILLBOARD ARTWORK**

#### Technical Guidelines:

- Sponsor artwork should be sent electronically in one of the following file formats, in order of preference, to produce the best quality visual product: .EPS or .AI Illustrator vector-art; .PSD Photoshop; .JPG JPEG format (broadcast-quality resolution required).
- Text elements within Illustrator files should be rendered as full vector art outlines, and not as typed text.
- If necessary to reduce file size for e-mail, artwork can be sent using PC-format .ZIP compression, or if necessary, artwork can be sent on CD.
- Standard-definition TV 4:3 aspect ratio (720 x 486 pixels) with a graphic resolution minimum of 72 dpi.
- High-definition TV 16:9 aspect ratio (1920 x 1080 pixels) with a graphic resolution minimum of 72 dpi.
- We cannot provide mock-ups for billboards.

#### Content / Editorial Guidelines:

- Sponsor billboards do not air full screen. All are reduced to anywhere between 1/4 – 2/3 total screen size, and are overlaid over non-static, live video backgrounds. Avoid artwork that prominently includes the color black, has scenic background, contains fine or thin lines, or is extremely intricate – white and/or light-colored text or other large elements work best and promote readability.
- A fully keyable image without background is strongly encouraged. If a background is required, it should be solid-colored, not a full scenic background. Photographs are not permitted.
- Sponsor taglines and website addresses are permissible, either visually and/or aurally. 800 numbers are not permitted unless they are part of the product name.
- Calls-to-action for contests or other promotions are permitted. However, for contests with any type of prize award, appropriate legal disclaimers are required to be included as part of the billboard visual. The physical inclusion of the text in the logo graphic is the responsibility of the advertiser. No sports-related call-to-action is permitted.
- Motion Pictures, DVD's & Video Games: The rating must be included in either the logo or audio tagline. If the rating is included on the logo it must be large enough to view on-screen. Game apps are excluded.
- Distilled Spirits: There must be a social responsibility message included in either the logo or audio tagline. If the message is included on the logo it must be large enough to view on-screen.
- Malt Beverages: If the product shares the name of a distilled spirit either the logo or tagline must reference the product as a "malt beverage". If the reference is included on the logo it must be large enough to view on-screen.
- Prescription Drugs: The chemical name must be included on the logo and large enough to read on air.

# ESPN MEDIA DELIVERY GUIDELINES

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- Gambling Websites: The following disclaimer needs to be included on the logo- "This is not a gambling website".
- Programming on Other Television Networks: The audio tagline needs to list the show name first followed by the network. Day, Date & Time specific promotion is not permitted. The words "TV", "Television", "Channel" & "Network" cannot be used.
- PSA content is not permitted in billboards or features.
- Material submitted on behalf of non-profit institutions or government agencies must contain a "paid for by" disclaimer.
- All sponsorship materials must also adhere to ESPN advertising content regulations and are subject to ESPN's editorial judgment with respect to show compatibility and integration. ESPN reserves the right to decline to air any materials, which we feel compromise the overall look of our on-air product and/or do not meet our technical standards or editorial judgment.

## FEATURES

Feature opportunities, which include Presenting Sponsorships and Entitlements, are program segments that give prominence to a story, person or event within the sporting world. The advertiser's billboard logo will be used, unless separate materials are sent specifically for this purpose. Taglines will not appear in features. Please refer to the Billboard Artwork guidelines above for specific technical guidelines. **Every Feature is a pre-produced separate element, thus all artwork and brand information including style guide must be received one month in advance of the airdate.**

## ANIMATED BILLBOARDS

- Animated billboards are accepted on a limited, case-by-case basis, and must be coordinated as part of established deal points through the advertiser's Account Representative. Content/editorial guidelines still apply.
- All materials must arrive two weeks prior to the airdate.
- :05 second Animated Billboard with matte must be over superblack and should not include voice over copy. Sound effect audio must be in Stereo. Video and matte must include timecode (Both LTC & VITC TC should match). An ISCI Code is required.
- The finished product must live in safe title area (in HD, animated element should be center cut safe title). The image must be fully keyable provided with a keyable matte. The Animated Billboard must be complete by :05 seconds and stay resolved with :05 seconds of pad after completion of the billboard.
- If produced in HD, please submit in 720p, 59.97 frame rate on DVC Pro.
- Delivery Methods: Tape copies should be sent to: ESPN, 545 Middle Street, Bristol, CT 06010 ATTN: Rich Faber/Commercial Operations. Digital files can be sent through an approved digital ad vendor (see below). Video sent via email or through FTP needs to adhere to the following specs:

<u>Format</u>	<u>Quicktime Codec</u>	<u>FPS</u>	<u>Depth</u>	<u>Quality</u>	<u>Resolution</u>	<u>Color Space</u>
720p	Animation	59.94	Millions of Colors(+)	Best	1280 x 720	RGB

- :05 second Billboard audio copy with ISCI Code must be e-mailed to [espnsponsorship@espn.com](mailto:espnsponsorship@espn.com). Audio copy in excess of :05 seconds will not be accepted.
- Materials received in incorrect format and/or not according to specifications will not air and the flight will be delayed until revised materials are approved.
- Animated billboards are kept in our tape library for 90 days

### \* Digital Ad Vendor Contact Info:

- Extreme Reach: [support@extremereach.com](mailto:support@extremereach.com) or (877) 769-9382
- Javelin/Hula: [support@javelindelivers.com](mailto:support@javelindelivers.com) or (877) 851-1786
- AdStream: [Traffic.latam@adstream.com](mailto:Traffic.latam@adstream.com) or (786) 472-2615

# ESPN MEDIA DELIVERY GUIDELINES

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- DMDS/Yangaroo: [support@dmds.com](mailto:support@dmds.com) or (866) 992-9902
- Comcast AdDelivery: [addelivery\\_support@cable.comcast.com](mailto:addelivery_support@cable.comcast.com) or (855) 858-1942, option 1
- On The Spot Media/EZSpot: [stationservices@onthespotmedia.com](mailto:stationservices@onthespotmedia.com)
- SpotGenie: [support@spotgenie.com](mailto:support@spotgenie.com), or (888) 808-1631

## **BOTTOM LINES**

- An advertiser's current brand or feature logo will be used. Any additional materials should be sent to [espnsponsorship@espn.com](mailto:espnsponsorship@espn.com).
- For call-to-action messaging the character limit is 90 including spaces.
- Bottomlines sponsoring programming on other television networks is not permitted.
- Text cannot include spoof on news or injury report.

## **SINGLE/DUAL MONITOR VIDEO BILLBOARDS**

ESPN's video billboards are intended for clients to utilize around movie/dvd releases, video game releases and special promotions. All materials are subject to final approval by ESPN.

### **Client Deliverables:**

- Minimum 2 weeks prior to air date, client will directly deliver the following assets to commercial operations:
  - **Static Image:** EPS logo emailed as an attachment, along with the traffic form included, to [espnsponsorship@espn.com](mailto:espnsponsorship@espn.com)
    - Note: Logo must be free of any small text, i.e. movie credits. Production has right to refuse image if it won't be legible to the viewer, and request a new logo from the client. Example noted below in images on page 3.
  - **Video Image:** DVC Pro Video - 10 or :15 depending on dealpoint, format includes:
    - High Definition DVC Pro or through approved ESPN Digital Ad Vendor
    - :10-:15 video, length dependent on dealpoint
    - 720p; 59.94 frame rate
    - No audio
    - 16 x 9 HD commercials must be produced with "4x3 protection", meaning all critical commercial content and graphics appear within the 4x3 middle of the 16 x 9 aspect ratio
    - Shipping information:
      - Tape information ISCI Code must be included within traffic form
      - Ships to:
        - ESPN, 545 Middle Street, Bristol, CT 06010 **ATTN:** Rich Faber/Commercial Operations
      - ESPN Sponsorship content editorial guidelines apply
  - **Billboard audio copy** - :10-:15, length dependent on dealpoint, to be voiced by ESPN's billboard voiceover talent – copy to be included in traffic form.

## **PACKAGER GUIDELINES**

Packager acknowledges receipt of, and will be in compliance with, ESPN's Advertising Integration Requirements, which may be changed or amended at ESPN's sole discretion. Failure to comply with these requirements may result in loss of commercial time, airtime, or other action which ESPN deems appropriate.

ESPN has the right to refuse to air any program or advertising element thereof containing any form of advertising ESPN may deem competitive, including on-site identification, to ESPN or any of its subsidiaries.

**Packagers must adhere to the following guidelines when submitting advertising materials for air.**

### **CLIENT SUPPLIED PROGRAMMING**

All Client Supplied Commercial Instructions must be sent to the Packager. In turn, it is the Packager's responsibility to supply materials to ESPN by established deadlines. Packager's instructions must include:

- Number of commercials
- List of advertisers with Ad-ID and title of commercials
- Length of each commercial
- Placement within the show
- Billboard and Feature information (when applicable)

DO NOT build commercials into the show tape. DO NOT send commercial tapes and/or instructions with the show tape.

### **Institutionals**

If a league or packager retains institutional time in a program, that League or packager is responsible for sending institutional tapes and traffic instructions at least **five** days prior to air and must include:

- Title of Institutional
- Ad-ID
- Length

All institutional spots are subject to ESPN approval and must adhere to all parameters outlined in the league's or packager's contract with ESPN.

### **Commercial Units**

- **The Packager is responsible to provide advertiser commercial tapes to ESPN TV Ad Operations five business days prior to the airdate.**
- **Tapes from the Packager must adhere to the Commercial Delivery Specifications outlined above.**
- **Commercial Tapes will be accepted directly from the advertiser and/or advertiser's agency.**
- **Commercial tapes will be held for sixty days from the last airdate, after which time they will be removed from the computerized inventory system and destroyed. The same tape disposal policy applies to commercial tapes that do not air within sixty days of receipt.**
- **ESPN cannot hold indefinitely, duplicate or return commercial materials submitted for telecast.**

The number of commercial units is defined by your contract. Packagers are responsible for consulting regularly with, and receiving approval from, the Director Client Supplied Programming as to the plans and actions related to all commercial time and elements specified.



# **ESPN MEDIA DELIVERY GUIDELINES**

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## **Commercial Instructions**

**The Packager is responsible to provide traffic instructions five business days prior to the airdate. Traffic Instructions will not be accepted directly from the advertiser and/or advertiser's agency.**

## **Billboards/Features**

The number of billboards and/or features is defined by your contract. You must provide the billboards and feature rundown for your show to Joe Staskiewicz in TV Ad Operations 10 Business Days Prior to the Edit Date. Joe can be reached at (860) 766-7340

### Fully Client Supplied Shows

Permissible billboards and/or features in fully client supplied taped shows must be put on show tape and will re-air as is. Time for billboards/features on tape comes out of content.

### Partially Client Supplied Shows

Joe Staskiewicz in TV Ad Operations must be notified 10 Business Days Prior to the Edit Date. If ESPN has billboard and/or feature allocations, Joe will provide the ESPN advertiser billboard/feature materials to you. Billboards/features must be put on show tape and will re-air as is. Time for billboards/features on tape comes out of content.

## **ELECTRONIC SIGNAGE ARTWORK REQUIREMENTS AND DEADLINES**

Written instructions must be included with artwork specifying it is for electronic video signage in an MLB game. Please send a copy of the logo, Ad-ID, and flight dates, as well as specifying the game in which the materials will be used. We **cannot** use billboard artwork that is currently in house at ESPN. Once the logo and other appropriate information is sent, it does not need to be sent again, unless it needs to be updated or changed.

**Digital:** PC preferred over Macintosh, but we will accept either. If MAC, do not compress.

**Media Preference:** E-mail will be the only form accepted. Sent to [espnsponsorship@espn.com](mailto:espnsponsorship@espn.com). When e-mailing artwork, each piece of artwork should be attached in a separate e-mail. Do not include artwork in the body of the e-mail. Send files compressed using WinZip. ESPN cannot pull artwork from a website.

### **Requirements/Specifications:**

- Dark backgrounds, such as black or dark blue, must be used.
- Logos with light backgrounds, such as white, will not be accepted.
- Bright colors in the background or within the logo itself will not be accepted.
- Logos sent for billboards cannot be used for Virtual Signage.
- Due to the color scheme of the logo, the agency may need to create new materials in order to adhere with required color specifications.
- Please contact Julia Padilla at 860-766-2612 with any questions.

### **Acceptable formats in descending order of preference:**

- .eps color (illustrator) – vector preferred over raster images
- .eps black and white (illustrator)
- .psd (Photoshop) – keep information in layers if possible

**Deadlines:** All electronic signage materials must be in-house three (3) weeks prior to air date.

(Ex: 4/2 ESPN Sunday Night game must be in-house no later than 3/13)

Note: All tests in .eps file from Macintosh systems should be converted to outlines before being converted to PC format or sent to ESPN.

**Resolution:** The higher the better. If the file size of the image is greater than 2 MB compressed, please contact Julia Padilla at 860-766-2612, before sending.

### **ALL INSTRUCTIONS MUST BE SENT TO ESPN VIA E-MAIL:**

ESPN  
Attn: Julia Padilla  
545 Middle St.  
Bristol, CT 06010  
Phone: 860-766-2612  
[traffic@espn.com](mailto:traffic@espn.com)  
[espnsponsorship@espn.com](mailto:espnsponsorship@espn.com)

## **ADVERTISING CONTENT REGULATIONS**

ESPN will telecast only commercial material which is lawful and of the highest possible standards of excellence. ESPN may refuse to distribute any commercial or any element thereof that, in ESPN's sole judgment:

1. Does not conform to these regulations or to ESPN's general practices and formats regarding commercials, as they may be modified from time to time;
  2. Is not of a suitable artistic and technical quality;
  3. May violate any rights of any person, firm or corporation;
  4. Contains any false, unsubstantiated or unwarranted claims for any product or service, or makes any unauthenticated testimonials;
  5. Advertises any habit-forming drug, tobacco product, handgun or handgun ammunition, distilled liquor or any non-alcoholic product containing the name of a hard liquor product. Malt beverage advertising is acceptable, subject to appropriate scheduling restrictions and only if commercial clearly and conspicuously communicates in audio and/or video that the product is an alcoholic malt beverage;
  6. Contains any material constituting or relating to a lottery, a contest of any kind in which the public is unfairly treated or any enterprise, service or product that tends to encourage, abet, assist, facilitate or promote illegal or legal gambling;
  7. Makes any appeal for funds or consists of, in whole or in part, political advocacy or issue-oriented advertising. All Institutionals (PSA's), paid or unpaid and regardless of source, must be approved in advance by ESPN;
  8. Contains any material that is defamatory, obscene, profane, vulgar, repulsive or offensive, either in theme or in treatment or that describes or depicts repellently any internal bodily functions or symptomatic results of internal conditions, or refers to matters that are not considered socially acceptable topics;
  9. Contains any false or ambiguous statements or representations that may be misleading to the audience;
  10. Includes any element of intellectual property without the owner's consent to such use, including but not limited to music master, mechanical, performance and synchronization rights or gives rise to any other colorable claim of infringement, misappropriation or other form of unfair competition;
  11. Unfairly disparages or libels any competitor or competitive products; or
  12. Is or might be injurious or prejudicial to the interests of the public, ESPN or honest advertising and reputable business in general.
- **ESPN reserves the right to accept or reject at any time advertising for any product or service submitted for telecast over its program facilities.**
  - **ESPN reserves the right at any time to revoke its acceptance of and to require the elimination or revision of any advertising matter that is inconsistent with ESPN standards and policies.**

Please see ESPN Ad Standards and Guidelines document for complete advertising policy information.

## **Media Delivery Specifications Appendix**

### **1.0. Operational Specifications**

#### **1.1. Operational Specifications: Leader**

##### **1.1.1.**

At the head of the tape there shall be a leader, consisting of video and audio. Contained in the video portion of this leader shall be at least **:15 seconds of black/silence**, then **1 minute of test signals**, followed by at least **:10 seconds of slate**, followed by at least **:10 seconds of black**, followed by the commercial material.

- :15 seconds of Black/Silence
- :60 seconds of Test Signals
- :10 seconds of Slate
- :10 seconds of Black
- Commercial Material

#### **1.2. Operational Specifications: Test Signals**

##### **1.2.1.** Video and Audio Test Signals shall accurately represent Content material.

- Video Levels
- Blanking Width
- Chroma Levels
- Chroma Phase
- Audio Levels
- Relative Audio Phase

##### **Video Test Signals**

- Color Bars: 75% SMPTE Color Bars
- Reference Black: 0 Units IRE, 0 mv
- Reference White: 100 units IRE, 700 mv

##### **Audio Test Signals**

- Audio Test Signal (tone): 1kHz tone @ 20dBfs/0 VU
- Audio Channel Identification: Optional, but preferred

#### **1.3. Operational Specifications: Test Signal Format**

- |  |  |
|--|--|
| • :15 seconds of Black/Silence                         | • :10 seconds of Slate (refer to section 1.5.)   |
| • :60 seconds of Test Signals (refer to section 1.3.1) | • :10 seconds of Black                           |
| • Video: 75% SMPTE Color Bars                          | • Commercial material                            |
| • Audio: 1 kHz tone at reference level                 | • :30 seconds of Trailer (refer to section 1.6.) |

**Time Code at the beginning of Commercial and Program Material is preferred to start at 01:00:00:00**

## **1.4. Operational Specifications: Slate**

- Sponsor or Product Name
- Commercial Title
- Commercial (AD-ID) Number
- Date of Recording
- Reel Number
- Audio Format: Stereo/Mono
- Audio Channel Information: Lt/Rt Lo/Ro Dual Mono
- Duration: Length of Commercial or Program
- Closed-Captioned: Yes/No
- V-Chip: Yes/No/Rating

## **1.5. Operational Specifications: Trailer**

Twenty (:20) seconds of Black / Silent Audio / Continuous Time Code / and Continuous Control Track shall follow Commercial or Program material.

- Black
- Silent Audio
- Continuous Time Code
- Continuous Control Track

## **1.6. Operational Specifications: Time Code**

- Time Code shall be synchronous with the recorded Video
- Time Code at the beginning of Content is preferred to start at **01:00:00:00**
- Accurate Time Code readings shall be provided to identify the start of each piece of Content
- Continuous Drop Frame LTC and VICT Time Code shall be recorded on all delivered Content
- VICT and LTC addresses shall be coincident
- All copies of identical material shall have identical Time Code

## **2.0. Standard Definition: Overview**

### **2.1. Standard Definition: Video Specifications**

#### **2.1.1.**

Commercial luminance level (maximum white level) shall nominally be 100 IRE with momentary transients of 105 IRE as measured with an IRE filter.

#### **2.1.2.**

Composite video levels (luminance and chrominance) shall have an absolute maximum of 120 IRE as measured in flat response mode.

#### **2.1.3.**

There shall be no false starts.

#### **2.1.4.**

SCH phase (sub-carrier to horizontal timing) shall be maintained continuously across all edits (color framed edits).

#### **2.1.5.**

PAL Tapes shall not be accepted without prior ESPN notification.

**Any tape which does not meet these specifications may be refused for air or have the levels altered to meet these specification at ESPN's discretion.**

### **2.2. Standard Definition: Audio Specifications**

- ESPN uses several types of audio measuring devices within the plant to determine proper audio parameters. The Dorrrough 12AES loudness meter and the DK600M multi audio sources level and phase meter are utilized in the Audio Control Rooms.
- With a reference signal at 20dBfs, every attempt is made to keep the average program audio at that level allowing for peaks to extend no higher than 10dBfs.
- Keeping commercial content in line with program source material will provide for smoother and more consistent audio transitions to commercial in MCR and ultimately to ESPN's viewers.
- Stereo Commercial audio on Standard Definition Content shall meet the following requirements and formatting.

#### **2.2.1. Audio Format**

- Full Mix Stereo Matrixed on Channels 1 & 2 (Lt/Rt)
- Full Mix in Stereo on Channels 1 & 2 (Lo/Ro)
- Full Mix Mono on Channels 1 & 2
- Sampling Rate: 48 kHz
- Bit Depth: 20 bits

#### **2.2.3. Audio Levels**

- Per CALM Act Audio Levels: **-24 lkfs**

## **2.3. Standard Definition: Tape Specifications**

### **2.3.1.**

Master tapes provided on Digital Beta shall be provided in NTSC standard only.

### **2.3.2.**

PAL tapes shall NOT be accepted without prior ESPN authorization.

### **2.3.3.**

Digital Beta tapes should be free of excessive bit errors that would trigger a channel condition alarm.

### **2.3.4.**

All tape shall be free from indentations, creases, scratches, and other imperfections. The edges of the tape shall be free from nicks, tears, and similar defects.

### **2.3.5.**

Cassettes shall not be bent, cracked, or otherwise damaged in any way. Any applied labels shall not interfere with the tape path or impede the operation of mechanical parts of the cassette.

### **2.3.6.**

Any tape which exhibits tracking errors, dropouts, or other hits recorded into the material on the supplied tape will not be accepted.

## **2.4. Standard Definition: Additional Specifications**

### **2.4.1. Standard Definition – Closed Captioning**

It is the submitting Agency's responsibility to ensure all Commercials be delivered to ESPN with Closed Captioning. English language Closed Captioning shall be recorded on CC1: Line 21/Field 1

### **2.4.2. Standard Definition – V Chip**

It is the submitting Agency's responsibility to ensure correct V Chip data. V Chip information shall be placed on Line 21/Field 2

### **2.4.3. Standard Definition – Vertical Blanking Interval**

The Commercial Video Vertical Interval must be cleared of all extraneous signals.

If Vertical Interval Signals are supplied, the only acceptable signals and their locations are as follows:

<b>Line</b>	<b>Field</b>	<b>Content</b>
Line 16/18	Fields 1 & 2	VITC
Line 21	Fields 1 Only	Closed Captioning



## **3.0. High Definition**

### **3.1. High Definition: Tape Specifications**

- High Definition Content intended for broadcast on ESPN Networks shall be delivered in the D-5 format.
- All tape shall be free from indentations, creases, scratches, and other imperfections. The edges of the tape shall be free from nicks, tears, and similar defects.
- Cassettes shall not be bent, cracked or otherwise damaged in any way. Any applied labels shall not interfere with the tape path or impede the operation of mechanical parts of the cassette.
- Any tape that exhibits tracking errors, dropouts, or other hits recorded into the material on the supplied tape will not be accepted.
  - High Definition DVC Pro or D-5 Video Tape
  - Preferred Cassette Size: 12 minute (D5C12M) or 23 minute (D5C23S)

**ESPN does NOT accept Two (2) Hour Tape Cassettes.**

**Other Formats are NOT accepted without prior authorization.**

### **3.2. High Definition: Video Specifications**

#### **3.2.1.**

- High Definition Content intended for broadcast on ESPN Networks shall meet the format on 1280 active horizontal pixels by 720 active lines, progressively scanned at 59.94 frames per second, with a 16 x 9 aspect ratio.
- Luminance levels shall nominally be 100 IRE and not exceed absolute Peak Luminance Levels of 105 IRE with Black (setup) Video Levels of 0 units, as measured with an IRE filter. Composite video levels, luminance and chrominance, shall have an absolute maximum of 120 IRE, as measured in flat response mode.

#### **3.2.2. Video Format**

- 1280 x 720 Line 59.94 Progressive Scan Video
- 16 x 9 (1.78:1) Aspect Ratio
- Center Cut Protected
  - The main action remains in the center of the screen to provide standard definition viewers a full screen center cut-out of the widescreen picture.
  - Safe title is an area 20% smaller than the 4x3 center protected area.
  - Only one piece of creative (either SD or HD) will be accepted for air on all HD available networks and will air simultaneously on the HD and SD services. Commercials airing on any SD only network (Classic, etc.) may submit a center-cut protected HD tape or an SD version.
  - All HD available networks are currently down-converted in 16x9 letter-box.
    - HD (i.e. in full 16 x 9 format) and will be simulcast in center cut format (i.e. in 4 x 3 format) on the SD networks.

#### **3.2.3 Video Levels**

- Absolute Transient Peak Luminance Levels: **105 IRE**
- Nominal Luminance Levels: **100 IRE**
- Black (set-up) Video Levels: **0 Units**
- Composite Video Levels (luminance/chrominance): **120 IRE**

### **3.3. High Definition: Audio Specifications**

#### **3.3.1.**

- ESPN uses several types of audio measuring devices within the plant to determine proper audio parameters. The Dorrrough 12-AES loudness meter and the DK600M multi audio sources level and phase meter are utilized in the Audio Control Rooms.
- With a reference signal at -20 dBfs, every attempt is made to keep the average program audio at the level allowing for peaks to extend no higher than -10 dBfs. Keeping commercial content in line with program source material will provide for smoother and more consistent audio transitions to commercials in MCR and ultimately to ESPN's viewers.
- ESPN's Bristol facilities utilize Panasonic Model AJ-HD3700 D5 VTR's in 8-channel mode. This was done to facilitate future audio requirements. 8-channel mode recordings are not compatible with earlier Model AJ-HD2700 D5 machines due to differences in recording track widths. 4-channel recordings made in the older 2700 can be played back in the new 3700. However, please use 8-channel mode when possible.

**ESPN prefers Audio in 8-Channel Mode, but will accept Audio in 4-Channel Mode.**

#### **3.3.2. Domestic Audio Format**

- Full Mix Stereo Matrixed on Channel 1 & 2 (Lt/Rt)
- Full Mix in Stereo on Channels 1 & 2 (Lo/Ro)
- Full Mix Mono on Channels 1 & 2
- Sampling Rate: 48 kHz
- Bit Depth: 20 bits

#### **3.3.3. Audio Levels**

- Per CALM Act Audio Levels: **-24 lufs**

**ESPN does NOT accept 5.1 Discreet Audio or Dolby E encoded materials.**

### **3.4. High Definition: Additional Specifications**

Closed Captioning, V Chip and Time Code Specification concerning Commercial Content intended for broadcast on ESPN Networks.

#### **3.4.1. High Definition – Closed Captioning**

It is the submitting Agency's responsibility to ensure all Commercial be delivered to ESPN with Closed Captioning. EIA-708 format with 608 capability bits recorded on Line 9 in the VANC.

#### **3.4.2. High Definition – V Chip**

It is the submitting Agency's responsibility to ensure correct V Chip data.

#### **3.4.3. High Definition – Time Code**

- Time Code shall be synchronous with the recorded Video
- Time Code at the beginning of Content is preferred to start at **01:00:00:00**
- Accurate Time Code readings shall be provided to identify the start of each piece of Content
- Continuous Drop-Frame LTC and CIRC Time Code shall be recorded on all delivered High Definition Tapes
- VITC and LTC addresses shall be coincident
- All copies of identical material shall have identical Time Code

**EXHIBIT G**  
**ILS & PI REFERENCE PACKET**

**(attached)**

[End of Exhibit G]

**Exhibit G**

The Walt Disney Company  
Product Integrity Program & International Labor Standards Program  
Reference Packet

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## I. Definitions

For purposes of the Agreement, all references to Disney within this Reference Packet shall be deemed references to ESPN, as applicable.

### DEFINED TERMS

**“Affiliates”** means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with, such Person.

**“Control”** (including the terms “Controlling,” “Controlled by,” and “under common Control with”) means possession, directly or indirectly, through one (1) or more intermediaries, of the power to direct or cause the direction of management and policies of a Person, whether through ownership of voting securities or otherwise.

**“Person”** means any individual or form of legal entity.

**“Agreement”** means the Agreement between Sponsor or Corporate Sponsor (as applicable) and ESPN.

**“Audit Period”** means the Term of the Agreement, plus three years thereafter.

**“Code”** means (i) the Code of Conduct for Manufacturers adopted by The Walt Disney Company and its Affiliates, (ii) other substantially equivalent labor standards accepted from time to time by Disney as described in the ILS Program Manual, or (iii) another set of labor standards agreed to by Disney in its absolute discretion. The Code is posted on the ILS Website.

**“DCP Website”** means the Disney Consumer Products Website (currently [disneyconsumerproducts.com](http://disneyconsumerproducts.com)) or any successor website.

**“Facility”** means any of Licensee’s own or third-party manufacturers, vendors, factories, farms, suppliers and other facilities (as well as any subcontractors) that produce, process, finish, assemble (including without limitation, the combination of one (1) or more individual Licensed Products together into a separate Licensed Product set, bundle or multi-pack), or package Licensed Products, components of Licensed Products, PA Materials or other items related to Licensed Products, components of Licensed Products or PA Materials, in each case in physical form (i.e., not in digital form only) that contain, incorporate or apply any Licensed Material.

**“FAMA Application”** means a Facility and Merchandise Authorization (“FAMA”) Application which Licensee must complete and submit to Disney for each Facility using the most current version of the FAMA Application found on the ILS Website.

**“ILS Audit”** means a labor standards inspection and/or audit of a Facility used to assess whether the Facility complies with the ILS Minimum Compliance Standard, the Code and pertinent Laws.

**“ILS Minimum Compliance Standard”** means the minimally acceptable level of compliance with the Code as required by the ILS Program and as evidenced by (i) the absence of any (a) child labor, (b) involuntary labor, (c) coercion and/or harassment, (d) discrimination, (e) serious health and safety workplace violations, (f) interference with freedom of association, and (g) unauthorized subcontracting, and (ii) the provision of all information necessary to assess compliance with the Code and pertinent Laws (e.g., complete and accurate records, and access to Facility personnel and premises).

**“ILS Program”** means The Walt Disney Company’s policies, procedures and requirements with respect to international labor standards (“ILS”). The ILS Program is described herein and in the ILS Program Manual.

**“ILS Program Manual”** means the document containing details of the ILS Program, which can be found on the ILS Website.

**“ILS Website”** means [www.disneylaborstandards.com](http://www.disneylaborstandards.com) (or any successor website).

**“Law(s)”** means applicable laws, rules and regulations, including without limitation, local and national laws, rules and regulations, treaties, voluntary industry standards (if any), and other legal obligations pertaining to the Agreement and to any of Licensee’s activities under the Agreement, including without limitation, those applicable to (i) any tax, (ii) consumer and/or product safety, (iii) data privacy and the privacy and protection of personally identifiable information, (iv) the protection of minors, employees and the environment, (v) the United States Foreign Corrupt Practices Act of 1977 and any amendments thereto (and any local or foreign equivalent), (vi) trade restrictions (e.g., customs, export and import controls, sanctions and embargoes) including United States trade restrictions, and (vii) the manufacture, labeling, pricing, sale or distribution of Licensed Products.

**“Licensee”** means Sponsor or Corporate Sponsor (as applicable).

**“Licensed Material”** means ESPN Marks (defined in the Agreement).

**“Licensed Products”** means the products or merchandise that incorporate, reproduce, display, reference or otherwise use the Licensed Material, in each case in accordance with the Agreement.

**“OPA”** means Disney’s online product approval system.

**“PA Materials”** means any Advertising (defined in the Agreement) materials (including without limitation, those relating to and/or consisting of (i) sweepstakes, contests or other similar games, (ii) television, radio, internet, print, wireless and outdoor advertisements, (iii) catalogs, circulars and other mailings, (iv) blogs, social media posts, ad placements, texts, tweets, instant messages and push notifications, (v) website pages, (vi) videos, (vii) in-store materials (e.g., displays, banners, signage, posters, endcaps, wrappers and standees) and (viii) press releases and any other public statements or disclosures) that incorporate, reproduce, display, reference or otherwise use



the Licensed Material, in each case in accordance with the Agreement, in any and all media or platforms now known or hereafter devised.

**“Permitted Sourcing Country(ies)”** means those countries specified by Disney in or from which Licensee may manufacture or source Licensed Products, PA Materials and components thereof (including without limitation, raw materials and blank items). Disney may establish additional requirements as a condition to conducting any of the foregoing activities in certain Permitted Sourcing Countries. The current list of Permitted Sourcing Countries is posted on the ILS Website and included in the ILS Program Manual.

**“Prohibited Persons”** means (i) those Persons with whom Licensee may not conduct business by Law, and/or (ii) those additional Persons with whom Licensee is prohibited by Disney from engaging in any activities under this Agreement (including without limitation, for reasons of intellectual property protection and enforcement, concerns for political or human rights, or environmental protection). Information regarding the list of Prohibited Persons is posted on the ILS Website and included in the ILS Program Manual.

**“SKU”** means each unit of an item offered for sale that has any characteristics that differentiate it from other items offered for sale. Those distinguishing characteristics may include without limitation, product type, manufacturer, name, description, material, size, color, markings, packaging and warranty terms. “SKU” may also mean, as the context requires, the item’s unique identifier or product code which may vary worldwide (e.g., SKU, Universal Product Code (UPC), an International Article Number (EAN), Global Trade Item Number (GTIN), and Japanese Article Number (JAN)).

## II. Licensed Product and PA Materials Approval Provisions

All Licensed Products and PA Materials require Disney's prior written approval, and such approval may be granted or withheld by Disney in its absolute discretion. Any Licensed Products or PA Materials not approved by Disney in advance in writing, at any phase in the approval process, shall be deemed disapproved, unlicensed, and shall not be manufactured or sold. Any approvals given by Disney under the Agreement shall not (i) constitute or imply an opinion by Disney that any Licensed Products or PA Materials, or any components of either one, comply with applicable Laws or Product Integrity Licensee Requirements (as defined in Section III.A, below), (as applicable) (ii) supersede or otherwise limit Licensee's obligations under the Agreement or (iii) constitute (a) permission to produce Licensed Products not expressly authorized pursuant to, and in full compliance with, a fully-executed Agreement with Disney or (b) an amendment to or modification of the Agreement.

Licensee shall submit all Licensed Products and PA Materials (unless otherwise designated by Disney) for approval through OPA or with Disney's prior permission, via email. To be valid, any approval must be granted by Disney through OPA or otherwise in writing. Disney shall respond through OPA in a reasonable time to all reasonable requests for approvals under the Agreement, with a goal of responding within ten (10) to fifteen (15) business days. If Disney has not approved a submission through OPA within that time period, the submission shall be deemed disapproved.

Upon Disney's request, Licensee agrees to give Disney written confirmation of the first shipment date and shelf date for each SKU of each Licensed Product.

Licensee agrees to comply with the following:

A. Concepts Phase. Licensee shall submit to Disney all creative elements (e.g., concepts, preliminary and proposed final artwork, 3-dimensional sculptures or as otherwise determined by Disney in its absolute discretion) (collectively, "Conceptual Elements") which are to appear on or in any SKU of the Licensed Product. If Disney approves all Conceptual Elements of a SKU of a Licensed Product, Licensee may proceed to the pre-production phase described below for each such approved SKU of a Licensed Product.

B. Pre-Production Phase. If Disney approved all Conceptual Elements as described above and Licensee desires to proceed with a Licensed Product, Licensee shall submit to Disney a Pre-Production Sample, in a form acceptable to Disney. A "Pre-Production Sample" means a final rendering or mock-up of each SKU of each Licensed Product. If Disney approves the Pre-Production Sample, Licensee may proceed to the production phase described below for each such approved SKU of a Licensed Product.

C. Production Phase. If Disney approved a Pre-Production Sample as described above and Licensee desires to proceed with a Licensed Product, before Licensee relinquishes custody or control of any SKU of each Licensed Product (i.e., before Licensee is no longer able to control the disposition of a Licensed Product without third-party assistance), Licensee shall submit to Disney a Production Sample that conforms to

the approved Pre-Production Sample. A **“Production Sample”** means a unit of each SKU of each Licensed Product taken from the first production run of each supplier of each Licensed Product. For product safety compliance purposes as set forth in Section IV.B (Compliance Verification) below, a Production Sample shall constitute a “representative sample,” i.e., the Production Sample must provide Licensee with a basis for inferring the compliance of the untested units of each SKU of each Licensed Product with applicable safety requirements from the same production run as the tested units of each SKU of each Licensed Product. If Disney approves the Production Sample, then the SKU of a Licensed Product conforming to such approved Production Sample shall be deemed approved. Disney may withhold its approval of a Production Sample until Disney obtains test reports or other compliance documentation demonstrating compliance with all Laws and Product Integrity Licensee Requirements pursuant to Section III.B (Compliance Verification) below as determined by Disney in its absolute discretion. No modification of an approved Production Sample shall be made without Disney’s written approval through OPA or otherwise. All test runs, seconds or irregulars of Licensed Product must be destroyed. Any manufacture, distribution, shipment, marketing and/or sale of any Licensed Product prior to obtaining Disney’s approval shall be at Licensee’s sole risk and expense. Licensee shall submit all Contract Samples to Disney upon commencement of the first production run of each SKU of each Licensed Product. Upon Disney’s request, Licensee shall also submit Annual Samples to Disney.

### III. Product Integrity Program

#### A. Compliance with Applicable Requirements: Licensed Product

Licensee covenants and warrants that each Licensed Product shall (1) be new, suitable for the purpose for which it is intended, of good quality and free of defects in design, construction, materials and workmanship, (2) comply with all Laws for the relevant country or countries of distribution, (3) comply with any Product Integrity Licensee Requirements, and (4) conform to the Production Sample approved by Disney. “Product Integrity Licensee Requirements” means additional requirements, if any, established by Disney with respect to the quality and safety of a Licensed Product. The Product Integrity Licensee Requirements are posted on the DCP Website. Disney may modify the Product Integrity Licensee Requirements from time to time. Disney shall provide reasonable notice to Licensee of any material modification thereof. Disney may provide such notice through the DCP Website. Licensed Products not manufactured in compliance with the foregoing covenants and warranties shall be deemed unapproved, even if previously approved by Disney. Licensee shall not relinquish custody or control over such Licensed Products unless and until they have been brought into full compliance therewith.

#### B. Compliance Verification

(1) Both before and after Licensee initially distributes Licensed Products, Licensee shall follow reasonable and proper procedures for verifying that Licensed Products comply with all Laws and any Product Integrity Licensee Requirements, including without limitation, and as required by Law or Disney, conducting safety tests using accredited and independent testing facilities or other accredited testing facilities, as approved by Disney.

(2) As a condition of receiving Disney’s approval as set forth in Section II above, Licensee shall submit test reports or other compliance documentation for all countries of distribution demonstrating compliance with all Laws and Product Integrity Licensee Requirements, all as designated by Disney. Disney may withhold its approval of a Production Sample as required in Section II.C above until Disney obtains such test reports or other compliance documentation demonstrating compliance with all Laws and Product Integrity Licensee Requirements as determined by Disney in its absolute discretion. Licensee shall submit test reports or other compliance documentation directly through OPA or as otherwise designated by Disney. Licensee’s submission of such test reports or compliance documentation must include information designated by Disney sufficient to enable Disney to identify such test reports or compliance documentation with the corresponding Licensed Product. Licensee shall retain documentation of all test reports or other compliance documentation for all countries of distribution as required herein for the Audit Period.

(3) Licensee covenants that, following initial distribution of a Licensed Product as set forth in Section III.B.1 above, Licensee shall continuously follow

reasonable and proper procedures for verifying that each Licensed Product remains in full compliance with all Laws and Product Integrity Licensee Requirements. Such procedures may include, without limitation, re-testing a Licensed Product if there are changes in the production run of any SKU of each Licensed Product (including, without limitation, any change in materials, components, manufacturing processes or manufacturing facilities), changes in the countries of distribution, or if any significant time elapses between production runs of the same SKU of each Licensed Product.

C. Notices of Product Claims

(1) Licensee shall give Disney written notice, within seven (7) days, of any product liability claims made or suits filed with respect to any Licensed Product.

(2) Licensee shall immediately notify Disney (i) if Licensee obtains information reasonably supporting the conclusion that a Licensed Product may fail to comply with one (1) or more Laws or Product Integrity Licensee Requirements or may contain a defect that could create a substantial risk of injury to the public as described in 15 U.S.C. 2064 or (ii) of any communication to or from the Consumer Products Safety Commission ("CPSC") or other federal, state, provincial or local consumer safety agency with jurisdiction over the Licensed Product (the "Regulatory Agency") regarding the Licensed Product, including without limitation, any notices of investigations or directives and thereafter in each case shall provide Disney with timely information regarding further developments. Licensee agrees to discuss immediately in good faith with Disney the nature of the issue and the additional steps necessary to further investigate the matter.

(3) In the event any product liability claim is made to Disney directly regarding a Licensed Product, Licensee agrees to discuss immediately in good faith with Disney the nature of the issue and the additional steps necessary to further investigate the matter, including providing appropriate documentation as requested by Disney.

(4) Without limiting Sections III.C.1 through III.C.3 above, Licensee also shall permit Disney's designees to inspect testing and quality control records and procedures, and to test a Licensed Product for compliance with Laws and Product Integrity Licensee Requirements at any time and for the Audit Period; however, Disney shall not be required to conduct such testing. Licensee agrees to promptly reimburse Disney for the actual costs of such inspection and testing if a Licensed Product does not pass the test.

D. Recalls and Other Corrective Actions

(1) If Disney or Licensee reasonably concludes from information supplied by any source that a defect or failure to comply as described in Section III.C (Notices of Product Claims) above exists, then Licensee shall at its expense take such action as is required by Laws, including without limitation, notifying the appropriate Regulatory Agency in the country in which the Licensed Product is being sold or distributed to consumers. Licensee shall take such actions as the Regulatory Agency shall require,

including without limitation, (a) notifying the public of such failure or defect, (b) retrieving, recalling or withdrawing the Licensed Product from Authorized Customers, (c) destroying, repairing and/or replacing the Licensed Product, and (d) refunding sums paid and expenses incurred by consumers and others by reason of the recall. Licensee shall promptly provide Disney with information regarding the foregoing, including without limitation, contemporaneous copies of correspondence, reports or other communications with the Regulatory Agency. In the event the applicable Law does not require Licensee to notify the Regulatory Agency or, in the event notification has taken place but there is no direction given by the Regulatory Agency, Licensee shall discuss in good faith with Disney the steps to be taken and shall at Licensee's expense take such steps as Disney, in its reasonable discretion, shall direct. Disney reserves the right to notify the Regulatory Agency about the Licensed Product at issue in the event that Licensee does not do so and Disney deems it prudent to do so. Whether Disney or Licensee notifies a Regulatory Agency that a defect or failure to comply exists, all reasonable expenses paid or incurred by Disney by reason of or in connection with such notification, including without limitation, all expenses in connection with a recall, shall be promptly reimbursed by Licensee to Disney.

(2) Licensee shall provide Disney with all proposed public notices or statements of any kind regarding a failure, defect, withdrawal or recall of a Licensed Product (including without limitation, press releases, posters, tweets, texts, and/or social media postings) for Disney's review and written approval prior to issuance. The obligations of Licensee under this Section III are in addition to and not in limitation of other obligations, representations, warranties and indemnities of Licensee.

E. Compliance with Applicable Requirements: PA Materials

Licensee covenants and warrants that each PA Material shall (1) be new, suitable for the purpose for which it is intended, of good quality and free of defects in design, construction, materials and workmanship and (2) comply with all Laws for the relevant country or countries of distribution. PA Materials not manufactured in compliance with the foregoing covenant and warranty shall be deemed unapproved, even if previously approved by Disney. Licensee shall not relinquish custody or control over such PA Materials unless and until they have been brought into full compliance therewith.



#### IV. ILS Program

A. Disclosure of Facilities and Consent to Use. Licensee shall disclose to Disney each Facility that Licensee proposes to use hereunder, and Disney's written consent to use each such proposed Facility is required prior to the commencement of production of Licensed Products or PA Materials in such Facility. Licensee shall disclose a Facility, and request Disney's consent to use such Facility, by providing to Disney a completed FAMA Application for each Facility. Prior to determining whether or not to grant its consent to use a Facility, Disney may require (1) Licensee to provide a pre-production ILS Audit of the Facility demonstrating the Facility's compliance with at least the ILS Minimum Compliance Standard and/or (2) Licensee and/or the Facility to comply with any conditions applicable to the Permitted Sourcing Country in which the Facility is located. Disney may withhold its consent prior to the commencement of production for any Facility which, inter alia, (a) Disney reasonably believes does not comply with the ILS Minimum Compliance Standard, (b) Disney reasonably believes an ILS Audit was obtained through fraud, bribery, or other improper influence, (c) is not located in a Permitted Sourcing Country, (d) constitutes or involves a Prohibited Person, (e) has not shown continuous improvement towards full compliance with the Code, according to information contained in the ILS Program database, or (f) does not comply with any conditions applicable to the Permitted Sourcing Country in which the Facility is located (or with which Licensee does not comply if such conditions apply to the Licensee). Disney shall evidence its consent to the use of a Facility by providing Licensee with a signed FAMA. Licensee shall not commence production of any Licensed Products or PA Materials at a Facility until Licensee receives the signed FAMA for such Facility from Disney. Disney shall incur no liability hereunder for any failure or reasonable delay in providing Licensee with a signed FAMA. Licensee shall promptly (but no later than within thirty (30) days) notify Disney in writing when Licensee (i) ceases to use a previously declared and authorized Facility for any reason or does not have a reasonable intention to use such Facility hereunder within twelve (12) months or (ii) has not used a previously declared and authorized Facility for twelve (12) months and has not placed an order to be fulfilled within the next twelve (12) months. Licensee shall provide Disney with an updated list of Facilities or evidence of Facility use hereunder at any time upon request from Disney.

B. Compliance with ILS Minimum Compliance Standard and the Code. Licensee shall use only Facilities that comply with at least the ILS Minimum Compliance Standard (except during a period of remediation in accordance with Section IV.F (Remediation) below) and shall ensure that such Facilities fully comply with the Code to the extent it is commercially reasonable. Licensee shall distribute the Code to all of its Facilities. The Code and the ILS Minimum Compliance Standard shall not be interpreted to require Licensee or its Facilities to violate any applicable Law.

C. ILS Audits by Disney. Disney and/or its designated representatives shall have the right, at Disney's expense and without prior notice to Licensee or the Facility, to conduct ILS Audits of any Facility. Such ILS Audits may be conducted prior to and as a condition of Licensee's use of the Facility as set forth in Section IV.A (Disclosure of Facilities and



Consent to Use) above, or at any time up to the date that Licensee notifies Disney that Licensee has ceased to use such Facility. Except when Disney or its designated representative conducts unannounced ILS Audits, Disney shall endeavor to coordinate with Licensee in scheduling ILS Audits. In connection with any ILS Audit conducted by Disney, Licensee shall promptly confirm use of the Facility hereunder upon request from Disney. It is Licensee's responsibility to obtain the Facility's agreement to provide Disney with full access to the Facility and all applicable books and records for ILS Audits. Licensee shall promptly reimburse Disney for the reasonable cost of an ILS Audit (currently One Thousand Five Hundred U.S. Dollars (US \$1,500.00), but subject to change) performed or attempted to be performed by Disney and/or its designated representatives when (1) any Facility fails to meet the ILS Minimum Compliance Standard, (2) any Facility refuses to grant full access to the Facility and all applicable books and records, or (3) Licensee has failed to timely notify Disney of the non-use or cessation of use of the Facility as required by Section IV.A (Disclosure of Facilities and Consent to Use) above. The amount Licensee reimburses Disney shall not be pro-rated in the event the Facility is also used by other licensees or vendors of Disney or its Affiliates.

D. ILS Audits from Licensee. In accordance with the ILS Program Manual, Licensee shall provide Disney, at Licensee's expense, with ILS Audit reports for designated Facilities demonstrating compliance with at least the ILS Minimum Compliance Standard. Disney may require Licensee to submit such ILS Audit reports prior to, and as a pre-condition of, the use of a Facility and/or at any time prior to the date Licensee notifies Disney that Licensee has ceased to use such Facility. All ILS Audits provided by Licensee shall (1) be in a format and conducted pursuant to a methodology acceptable to Disney, (2) be conducted by Licensee's internal personnel or third parties, in either case acceptable to Disney, and (3) be conducted and provided within the time periods designated by Disney. Licensee agrees to comply with all applicable privacy and data protection Laws with regard to its monitoring activities of Facilities and to the submission of information to Disney regarding Facilities and the ILS Audit reports of such Facilities, including without limitation, Laws pertaining to protection of personally identifiable information and the protection of minors. The provision of an ILS Audit report by Licensee hereunder with respect to any Facility, regardless of the determination made by Disney with respect to such ILS Audit, shall not limit Disney's right, as set forth above, to conduct or otherwise obtain its own ILS Audit of such Facility.

E. Determinations. The determination of whether an ILS Audit indicates compliance with the ILS Minimum Compliance Standard, the Code or applicable Laws shall be a matter within Disney's absolute discretion. Disney may reject any ILS Audit (and thereby withhold or revoke authorization to use a Facility) if Disney reasonably believes that the ILS Audit was obtained or undermined through fraud, bribery, actual or threats of physical violence or other improper influence.

F. Remediation. As a condition to Licensee's continued use of a Facility that does not comply with the ILS Minimum Compliance Standard, Licensee shall, at no cost or expense to Disney, take appropriate and prompt steps to require the Facility to remediate all instances of Facility non-compliance with the ILS Minimum Compliance Standard

within the time periods designated by the ILS Program and to provide Disney with an ILS Audit report or other evidence, satisfactory to Disney, of remediation of such Facility non-compliance.

G. Cessation of Facility Use. Disney may revoke any previous Facility authorization if (1) Licensee ceases to use the Facility and does not have a reasonable intention to use such Facility hereunder within twelve (12) months, (2) Licensee has not used the Facility for twelve (12) months and has not placed an order to be fulfilled within the next twelve (12) months, (3) Disney is unable to conduct an ILS Audit as a result of Licensee's failure to timely confirm the status of the Facility and/or provide accurate Facility information, (4) Disney determines from an ILS Audit or otherwise that the Facility does not comply with the ILS Minimum Compliance Standard and such failure(s) is not remedied pursuant to Section IV.F (Remediation) above, (5) Disney reasonably believes that an ILS Audit was obtained or undermined through fraud, bribery, actual or threats of physical violence or other improper influence, (6) Licensee fails to conduct and/or provide to Disney any ILS Audit as required hereunder, (7) the country in which the Facility is located is no longer a Permitted Sourcing Country, (8) the Facility constitutes or involves a Prohibited Person, (9) the Facility and/or Licensee does not comply or continue to comply with any conditions applicable to the Permitted Sourcing Country in which the Facility is located, (10) the Facility has not shown continuous improvement toward full compliance with the Code, or (11) the Facility uses the Licensed Material or any other intellectual property owned, co-owned or licensed by Disney, its Affiliates or its/their licensors for any unauthorized purpose and does not halt such unauthorized activities within the time designated by Disney. If Disney revokes a Facility authorization, then Licensee shall not use or shall cease using such Facility for Licensed Products promptly, not to exceed thirty (30) days from Disney's written notice to Licensee, or as otherwise required by Law. If Licensee ceases to use a third party Facility for any other reason, upon Disney's request, Licensee shall disclose to Disney in reasonable detail any information known to Licensee relating to such Facility's failure to comply with the ILS Minimum Compliance Standard, the Code and/or any Law.

H. Material Breaches. Failure to comply with the ILS Program shall constitute a material breach of the Agreement. In addition to and without waiving any other rights or remedies available to Disney, upon discovery of each instance of the following failures by Licensee with respect to each and every Facility, Disney may assess Licensee an appropriate fee up to Five Thousand U.S. Dollars (US \$5,000.00) per failure to defray Disney's costs and/or fund other efforts of the ILS Program, and in the event that Disney does assess Licensee, then Licensee shall immediately pay Disney the assessed amount: (1) failure to disclose to Disney a Facility through a FAMA Application prior to production of Licensed Product or PA Materials at such Facility, (2) commencing production of Licensed Product or PA Materials at a Facility prior to obtaining Disney's consent to use such Facility as evidenced by a FAMA signed by Disney, (3) failure to conduct an ILS Audit and provide to Disney any ILS Audit report as required hereunder, (4) use of a Facility in a country that is not a Permitted Sourcing Country, (5) failure to comply with any conditions applicable to the Permitted Sourcing Country in which a Facility is located, (6) failure to cease using a Facility pursuant to Section IV.G

(Cessation of Facility Use) above, and/or (7) failure to timely notify Disney that Licensee has not used or has ceased using a previously disclosed and authorized Facility as required hereunder. Disney may direct Licensee not to sell or distribute Licensed Product and PA Materials produced in breach of the Agreement, or to destroy, donate or otherwise dispose of (as directed by Disney) such Licensed Product and PA Materials. In addition, if Licensee's action(s) or inaction(s) cause(s) Disney to be subject to any penalty or expense, Licensee shall fully reimburse Disney for such costs. Acceptance or waiver of payments under any of the foregoing subclauses shall not affect any other rights or remedies available to Disney, including without limitation, termination of the Agreement, indemnification, and/or Disney's right to require strict compliance by Licensee with the terms and conditions of the applicable the Agreement thereafter.

I. Disclosure of ILS Audits and Facilities. Notwithstanding anything to the contrary in this Agreement:

- (1) Disney may disclose ILS Audits to third parties (including other licensees and vendors of Disney using the same Facility and non-governmental organizations) (collectively, "Third Parties") but may not reference the identity of Licensee in such disclosure without the prior written consent of Licensee unless required by applicable Law or court order;
- (2) Licensee may disclose ILS Audits to Third Parties but may not reference Disney, the Licensed Material, Licensed Products or PA Materials in such disclosure without the prior written consent of Disney unless required by applicable Law or court order;
- (3) Disney may disclose publicly, as part of its ILS Program, the names and addresses of all Facilities;
- (4) As part of its anti-piracy efforts, and/or to facilitate shipping, Disney may communicate with, and provide information to, customs and law enforcement officials globally and/or other Third Parties that may assist with such efforts in order to identify authorized users of intellectual properties owned or controlled by Disney or its Affiliates, including the identification of Licensee, the Facilities, authorized shippers, and other information found in the FAMA Application; and
- (5) Disney may disclose the information identified in Section IV.I.(4) above as Disney may deem necessary to enforce its contract rights and/or protect its intellectual property rights.

J. Permitted Sourcing Countries and Prohibited Persons. Licensee shall only use Facilities in Permitted Sourcing Countries (subject to any applicable conditions). Licensee may not use any Facility that involves a Prohibited Person. Licensee may not manufacture or source Licensed Products, PA Materials or components thereof (including without limitation, raw materials and blank items) from any (1) country other than a Permitted Sourcing Country or (2) Prohibited Person.

Disney may modify the list of Permitted Sourcing Countries from time to time (a) as required by Law and/or (b) based upon Disney's determination not to permit the sourcing or manufacturing of Licensed Products, PA Materials or components thereof (including without limitation, raw materials and blank items), based upon, without limitation, reasons of intellectual property protection and enforcement, concerns for political or human rights, or environmental protection. If a Permitted Sourcing Country becomes prohibited by Law, such country shall be deemed automatically removed from the list of Permitted Sourcing Countries as of the effective date of such Law without need of any notice from Disney. It is Licensee's responsibility to monitor any such changes. If a Permitted Sourcing Country is removed from the list of Permitted Sourcing Countries due to Disney's determination, Disney shall provide reasonable notice to Licensee of such change. Disney may provide such notice through the ILS Website. Licensee should refer to the ILS Program Manual and the ILS Website for more information about Permitted Sourcing Countries.

If a Person becomes prohibited by Law, the prohibition shall be automatic as of the effective date of such Law without need of any notice from Disney. It is Licensee's responsibility to monitor any such changes. If a Person becomes prohibited due to Disney's determination, Disney shall provide reasonable notice to Licensee of such prohibition. Disney may provide such notice through the ILS Website.

K. Licensee ILS Representative. Promptly after the Agreement has been signed by both Parties, Licensee shall (1) appoint one (1) or more persons as Licensee's representative who will be responsible for Licensee's compliance with the ILS Program, and (2) notify Disney accordingly of the initial appointment and any later changes thereto.

L. ILS Program Changes. Disney may modify the ILS Program, the ILS Program Manual, the FAMA Application and the Code from time to time. Disney shall provide reasonable notice to Licensee of any material modification thereof. Disney may provide such notice through the ILS Website.